ACCESSIBLE FORMATS

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South Carolina Department of Transportation
Office of Public Transit
955 Park Street, Room 201
P.O. Box 191
Columbia, South Carolina 29202-0191

Phone: (803) 737-1444
# CHAPTER 3: PROJECT SELECTION CRITERIA AND METHOD OF DISTRIBUTING FUNDS

## Background

New Start or “Pilot” Program for Public Transportation in South Carolina

## Prerequisites for Funding

### Funding Criteria for Section 5310

- Project Description
- Project Budget
- Required Certifications
- Project Selection and Evaluation Criteria

### Funding Criteria for Section 5311

- Project Description
- Project Budget
- Required Certifications
- Project Selection and Evaluation Criteria

### Funding Criteria for Section 5339

- Project Description
- Project Budget
- Required Certifications
- Project Selection and Evaluation Criteria

## Method of Distributing Funds

- State Administration and Technical Assistance
- Project Funds
- Funding Guidelines

## Deobligated Funds

- Reallocation of Section 5310 Funds
- Reallocation of Section 5311 Funds

## Transfer of Federal Funds

...
CHAPTER 7: PROCUREMENT

Background ................................................................................................................. 75
Procurement Options for Subrecipients ................................................................. 75
Cost and Price Analysis .............................................................................................. 75

PURCHASE OF TRANSIT VEHICLES ON STATE ADA BUSES AND PURPOSE

Built Vehicles Contract .............................................................................................. 76

Purchase of Vehicles and Other Equipment and/or Services .................................... 78
Delivery of Vehicle Procured (state contract or by bid) .............................................. 81
Methods of Procurement ............................................................................................ 82
Micro Purchases not exceeding $2,500 ........................................................................ 82
Small Purchases: $2,500 to $10,000 ........................................................................... 82
Purchases: $10,000.01 to $49,999.99 ....................................................................... 83
Purchases: $50,000 and greater .................................................................................... 83
Sole Source ................................................................................................................... 84
Emergency .................................................................................................................... 85
Procurement Package Documentation ......................................................................... 85
Procurement Record Retention .................................................................................... 85
Procurement PRO ......................................................................................................... 86

Sourcing Methods ........................................................................................................ 86
Competitive Sealed Bidding (Invitation for Bid) ........................................................ 86
Competitive Fixed Price Bidding ................................................................................ 86
Competitive Best Value Bidding ................................................................................ 86
Competitive Online Bidding (Reverse Auction) ........................................................ 86
Competitive Sealed Proposals (Request for Proposal) ................................................ 86

“PIGGY-BACKING” ....................................................................................................... 87
Illegal Immigration and Public Contracts ................................................................. 87
Ethics ............................................................................................................................ 87
Lobbying ....................................................................................................................... 88
Subrecipient Responsibilities ....................................................................................... 88
Debarment and Suspension ....................................................................................... 89
Subrecipient Responsibilities ....................................................................................... 89
Buy America Provisions ............................................................................................ 89
Pre-Award and Post-Delivery Reviews .................................................................... 90
Regulation Requirement ............................................................................................. 90
New Model Bus Testing ............................................................................................. 91
Purchase of Service Contracts .................................................................................. 91
Bid Protests/ Appeals .................................................................................................. 92

CHAPTER 8: ASSET MANAGEMENT .............................................................................. 93

Background .................................................................................................................. 93
Transit Asset Management Plan (TAMP) ................................................................. 93
Federally Required Information to Maintain ........................................................... 96
Depreciation Standards ............................................................................................... 96
Asset Inventory Standards ........................................................................................ 96
Utilization Standards .................................................................................................. 96
CHAPTER 9: CONSTRUCTION OR RENOVATION OF FACILITIES

BACKGROUND ............................................................................................................. 111
CONSTRUCTION PROGRAM GUIDELINES ................................................................. 111
TYPES OF CONSTRUCTION ......................................................................................... 111
   New Construction .................................................................................................. 111
   Facility Renovation .............................................................................................. 111
FEASIBILITY STUDY .................................................................................................... 112
PLANNING ACTIVITIES ............................................................................................... 112
APPLICATION FOR FTA FUNDING (ANNOUNCEMENT) ........................................ 112
### CHAPTER 10: OTHER APPLICABLE PROVISIONS ................................. 125

**BACKGROUND** ................................................................................. 125

- [Civil Rights] .................................................................................. 125
- [Title VI] .......................................................................................... 125
  - [Equal Employment Opportunity (EEO)] ........................................ 127
  - [Disadvantaged Business Enterprise (DBE)] .................................. 128
  - [Protection of the Environment] ......................................................... 129
  - [Environmental Justice] ................................................................. 130
  - [Labor Protection] ......................................................................... 130
  - [Section 504 and ADA Program Requirements] ............................... 130

- [Clean Air Act] ................................................................................. 132

- [Charter Service] ............................................................................ 133
  - [Required Reporting of Charter Services] ...................................... 137
  - [Advisory Opinions and Cease and Desist Orders] .......................... 138
  - [Complaints/Investigations/Remedies] ........................................... 138

- [School Bus] .................................................................................... 139

- [Tripper Service] ............................................................................ 139

- [Jacob’s Law] .................................................................................. 139

- [Inter-State Services Using FTA Funds] ........................................... 139

- [Certifications and Assurances] ....................................................... 140

- [Safety] ............................................................................................ 140

- [Drug and Alcohol Program] ......................................................... 140
  - [Drug and Alcohol Testing] ............................................................ 141

- [Drug-Free Workplace Act] ............................................................. 142

- [Private Sector Participation] ............................................................ 142

- [Commercial Driver’s License] ......................................................... 143

- [Force Account Plans] .................................................................... 143

- [Eligibility] ...................................................................................... 143

### CHAPTER 11: PROJECT REPORTING, MONITORING AND ONSITE REVIEWS.. 144

- **BACKGROUND** ........................................................................... 144

- **PROJECT MONITORING AND REPORTING** ................................. 144

- **OPERATING STATISTICS** .......................................................... 145
  - [Operating Statistics and Transit Data Reporting] .......................... 145

- **OTHER REQUIRED REPORTING** ............................................... 146
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5310</td>
<td>146</td>
</tr>
<tr>
<td>5311</td>
<td>147</td>
</tr>
<tr>
<td>Project Request for Payment</td>
<td>147</td>
</tr>
<tr>
<td>Compliance Reviews</td>
<td>149</td>
</tr>
<tr>
<td>Monitoring</td>
<td>149</td>
</tr>
<tr>
<td>Section 5310 Compliance Reviews</td>
<td>149</td>
</tr>
<tr>
<td>Section 5311 Compliance Reviews</td>
<td>149</td>
</tr>
<tr>
<td>Disciplinary Action for Non-Compliance</td>
<td>149</td>
</tr>
<tr>
<td>Additional Award Conditions</td>
<td>149</td>
</tr>
</tbody>
</table>

**CHAPTER 12: TECHNICAL ASSISTANCE AND TRAINING**

<table>
<thead>
<tr>
<th>Subsection</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPT Technical Assistance (TA)</td>
<td>151</td>
</tr>
<tr>
<td>Plan Assessment</td>
<td>152</td>
</tr>
<tr>
<td>Follow-up Technical Assistance Process</td>
<td>152</td>
</tr>
<tr>
<td>State Rural Transit Assistance Program (RTAP)</td>
<td>152</td>
</tr>
<tr>
<td>Program Goals and Objectives</td>
<td>152</td>
</tr>
<tr>
<td>RTAP Program Manager</td>
<td>153</td>
</tr>
<tr>
<td>Eligible Assistance Categories</td>
<td>153</td>
</tr>
<tr>
<td>Funding</td>
<td>153</td>
</tr>
</tbody>
</table>
Introduction

The primary objective of the South Carolina Department of Transportation (SCDOT) Office of Public Transit (OPT) is to develop and coordinate a general public transportation program and policy for the State in order to encourage the efficient development, implementation, operation, evaluation, and monitoring of public transportation systems, both public and private. The Office of Public Transit, through a working relationship with the Federal Transit Administration (FTA), as well as Councils of Government (COGs), Metropolitan Planning Organizations (MPOs), local governments, and transit providers develops and maintains an effective and efficient network of transportation services available to the public.

The United States Department of Transportation, through the Federal Transit Administration (FTA), provides a number of programs designed to assist in the provision of local public transportation services. FTA requires each state to have an approved State Management Plan (SMP) on file with their regional office. The intent of the South Carolina State Management Plan is to document the State’s mission, goals, policies, procedures and administrative guidelines for the FTA 49 U.S.C. Sections (§), 5310 (Enhanced Mobility for Seniors and Individuals with Disabilities Program), 5311 (Formula Grants for Rural Areas Program), 5311 (b)(3) (Rural Transit Assistance Program) and 5339 (Bus and Bus Facilities Program). The State Management Plan is updated regularly as federal information and/or state processes in administering the federal grants are updated or amended.

Information about the Office of Public Transit may be found by logging onto our website at https://www.scdot.org/travel/travel-transitproviders.aspx

or contact the SCDOT Office of Public Transit at the following address and phone number:

South Carolina Department of Transportation
   Office of Public Transit
   955 Park Street, Room 201
   P.O. Box 191
   Columbia, South Carolina 29202-0191
   Phone: (803) 737-1444Fax: 803-737-0145
# State Management Plan – Summary of Updates

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<td>Chapter 7</td>
<td>Procurement</td>
<td>Subrecipient’s responsibilities (Competitive Bid)</td>
<td>Amended to add language for subrecipients who purchase vehicles via competitive bid other than State contract to submit the proper information by completing the Transit Vehicle Award Reporting Form located on FTA’s Civil Rights DBE Webpage.</td>
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<td>Asset Management</td>
<td>Transit Asset Management Plan</td>
<td>Added a paragraph referencing the completion of the Transit Asset Management Plan (TAMP) and its’ effective date of October 1, 2018 and included a link to the TAMP.</td>
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<th>TOPIC</th>
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<td>Purchase of Vehicles and Other Equipment or Services</td>
<td>Amended to include section regarding procurement from Statewide Term Contracts</td>
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<td>2 CFR Part 200 Subpart E</td>
<td>Changed references to OMB Circular A-87 to 2 CFR Part 200 Subpart E</td>
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<td>Overview of Transit Programs</td>
<td>Section 5311(b) (3) - Rural Transit Assistance Program</td>
<td>Replaced Secretary with the word State</td>
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<td>Emergency</td>
<td>Amended to clarify Emergency procurements</td>
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## State Management Plan – Summary of Updates

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<td>ZMAP 21</td>
<td>Removed references to MAP-21 that were not specific to that legislation</td>
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<td>Master Agreement</td>
<td>Replaced Terms &amp; Conditions with Master Agreement</td>
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<td>Overview of Transit Programs</td>
<td>Section 5303</td>
<td>Included a program overview</td>
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<td>Overview of Transit Programs</td>
<td>Other Federal Funds</td>
<td>Removed hyperlink to the Department of Labor Employment Standards Administration (now obsolete) and added hyperlinks to the current programs - the Wage and Hour Division (WHD), the Office of Labor Management Standards (OLMS), the Office of Federal Contract Compliance Programs (OFCCP) and the Office of Workers’ Compensation Programs (OWCP)</td>
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<td>Project Selection Criteria and Method of Distributing Funds</td>
<td>LEP</td>
<td>Added LEP discussion</td>
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<td>Annual Program Development and Project Approval</td>
<td>Program of Projects</td>
<td>Per MAP-21, Category C is no longer applicable as a Program of Projects category. Therefore, Category C references were removed</td>
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<td>De minimis Rate In Lieu of Indirect Cost Rate</td>
<td>Added De minimis rate explanation</td>
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<td>Project Financial Management</td>
<td>Audit Documents</td>
<td>Expanded explanation of audit submittal documents</td>
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<td>Asset Management</td>
<td>Flood Insurance Requirement</td>
<td>Included flood insurance discussion</td>
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<td>Real Property Disposition</td>
<td>Added real property disposition discussion</td>
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<td>Asset Management</td>
<td>Warranty Claims</td>
<td>Added Warranty Claims section</td>
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<td><strong>Chapter 10</strong></td>
<td>Other Applicable Provisions</td>
<td>Title VI</td>
<td>Added Title VI section including subrecipient responsibilities and SCDOT responsibilities</td>
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<tr>
<td><strong>Chapter 10</strong></td>
<td>Other Applicable Provisions</td>
<td>EEO</td>
<td>Expanded EEO section to include purpose of EEO plan and components and applicability criteria</td>
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<td><strong>Chapter 10</strong></td>
<td>Other Applicable Provisions</td>
<td>DBE</td>
<td>Included link to DBE documents on SCDOT website and Transit DBE Goal Setting</td>
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<td><strong>Chapter 10</strong></td>
<td>Other Applicable Provisions</td>
<td>ADA</td>
<td>Enhanced ADA complaints, subrecipient compliance, and ADA training discussions</td>
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<td>Section</td>
<td>Topic</td>
<td>Revised Content</td>
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<td>Updated Division of Mass Transit (DMT) to Office of Public Transit (OPT)</td>
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<td>Web Links</td>
<td>Review of web links to ensure accuracy</td>
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<tr>
<td>Chapter 2</td>
<td>Overview of Transit Programs</td>
<td>In-Kind Match</td>
<td>Enhanced guidance/policy regarding In-Kind as a source of Local Match for project</td>
</tr>
<tr>
<td>Chapter 6</td>
<td>Project Financial Management</td>
<td>Materials Inventory</td>
<td>New guidance regarding subrecipient requirement to develop policy &amp; procedures to ensure that inventory is safeguarded to prevent abuse/misuse of project property and record inventory costs</td>
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<tr>
<td>Chapter 6</td>
<td>Project Financial Management</td>
<td>Cost Allocation Plan Contract Changes</td>
<td>Added new section</td>
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<tr>
<td>Chapter 7</td>
<td>Procurement and Third Party Contract Management</td>
<td>Procuring Professional Services</td>
<td>Added guidance: Professional services that will be paid with OPT administered funds, in whole or in part, must be procured based on the same dollar and category requirements of non-professional services identified in the South Carolina Procurement Code.</td>
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<td>Chapter 8</td>
<td>Satisfactory Continuing Control &amp; Equipment Maintenance</td>
<td>Vehicle Disposition and Title Release</td>
<td>Expanded guidance regarding the processes required in the disposition of vehicles</td>
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<tr>
<td>Chapter 8</td>
<td>Asset Management</td>
<td>Transferring Federally Funded Vehicles or Equipment</td>
<td>Expanded guidance regarding the policy and process for transfer of property</td>
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<td>Chapter 8</td>
<td>Asset Management</td>
<td>All</td>
<td>Reformatted chapter to remove redundancies</td>
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<td>Chapter 9</td>
<td>Construction or Renovation of Facilities</td>
<td>All</td>
<td>Reformatted chapter to remove redundancies</td>
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<td>Chapter 10</td>
<td>Other Applicable Provisions</td>
<td>DBE</td>
<td>Updated information stating overall SCDOT overall goal of minimum DBE participation in 5311 program and primary point of contact as SCDOT’s Business Development and Special Programs Office</td>
</tr>
<tr>
<td>Chapter 12</td>
<td>Technical Assistance &amp; Training</td>
<td>Procedures for technical assistance and use of RTAP training funds</td>
<td>Expanded chapter to include process for providing TA to subrecipients and use of RTAP funds</td>
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<tr>
<td>Appendices</td>
<td>All</td>
<td>Appendices</td>
<td>Updated appendices to include: Appendix B: Procurement Approval Form, Appendix C: Justification of Sole Source Procurement Form and Justification of Emergency Procurement Form, Appendix D: Agreement Not to Convey or Encumber</td>
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<tr>
<td>List of Acronyms</td>
<td>List of Acronyms</td>
<td>Acronyms used throughout SMP</td>
<td>Listing and definitions of most common acronyms found throughout the SMP</td>
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<td>All</td>
<td>Updated to include MAP-21 updates and references</td>
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# LIST OF ACRONYMS

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<thead>
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<th>Acronym</th>
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<tbody>
<tr>
<td>ADA</td>
<td>Americans with Disabilities Act (signed into law in 1990)</td>
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<tr>
<td>COG</td>
<td>Council of Governments</td>
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<tr>
<td>DBE</td>
<td>Disadvantaged Business Enterprise</td>
</tr>
<tr>
<td>FAST-Act</td>
<td>Fixing American’s Surface Transportation Act</td>
</tr>
<tr>
<td>FFY</td>
<td>Federal Fiscal Year</td>
</tr>
<tr>
<td>FHWA</td>
<td>Federal Highway Administration</td>
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<tr>
<td>FTA</td>
<td>Federal Transit Administration</td>
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<tr>
<td>JARC</td>
<td>Jobs Access &amp; Reverse Commute (Section 5316 program formerly under SAFETEA-LU)</td>
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<tr>
<td>LEP</td>
<td>Limited English Proficiency</td>
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<td>MAP -21</td>
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<td>MPO</td>
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<td>MTAP</td>
<td>Multi-State Technical Assistance Program</td>
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<td>OPSTATS</td>
<td>Operating Statistics</td>
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<td>OPT</td>
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<tr>
<td>POP</td>
<td>Program of Projects</td>
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<tr>
<td>POS</td>
<td>Purchase of Service</td>
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<tr>
<td>RTAP</td>
<td>Rural Transit Assistance Program</td>
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<tr>
<td>SAFETEA-LU</td>
<td>Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (signed into law in 2005)</td>
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<td>SCDOT</td>
<td>South Carolina Department of Transportation</td>
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<td>STIP</td>
<td>Statewide Transportation Improvement Program</td>
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<td>TIP</td>
<td>Transportation Improvement Program</td>
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</table>
Chapter 1: General Transit Program Information

Roles and Responsibilities

Federal Transit Administration (FTA)
The FTA Headquarters Office is responsible for: providing overall policy and program guidance; apportioning funds annually to the states; developing and implementing financial management procedures; initiating and managing program support activities; and conducting national program review and evaluation.

Federal Transit Administration Regional Office
The FTA Regional offices have the day-to-day responsibility for administration of the program. Regional office activities include: reviewing and approving state grant applications; obligating funds; managing grants; overseeing the state’s implementation of the annual program, including revisions to the program of projects; receiving state certifications; reviewing and approving State Management Plans; providing technical assistance and advice to the states as needed; and performing state management reviews every three years, or as circumstances warrant. The SCDOT falls under the FTA Region IV office located in Atlanta, Georgia.

South Carolina Department of Transportation (SCDOT)
The Governor, pursuant to the provisions of 49 USC §5309, 5310, and 5311, has designated SCDOT as administrator and recipient of these funds. SCDOT has the legal authority to enter into contractual agreement with private and public entities for capital, administrative, operations, and technical assistance projects on behalf of the State. This authority was established through legislative action as set forth below:

On April 16, 1983, the Mass Transit Division was created by administrative action of the State Highways and Public Transportation Commission pursuant to its authority contained in Section 57-3-30, as amended, Code of Laws of South Carolina, 1976. This action was effective on July 1, 1983. During the 1984 Session of the General Assembly, legislation (Section 37, Part II -- Permanent Provisions, of Act No. 512, Acts of 1984) further established the Mass Transit Division under statutory authority as a principal division within the South Carolina Department of Transportation. On June 15, 2010, Act 206 of the South Carolina Code reconstituted the Division of Mass Transit as the Division of Intermodal and Freight Programs and revised the responsibilities of the Division. Further, the Act amended Section 57-3-40, relating to the functions of the former Division of Mass Transit, so as to establish the Office of Public Transit within the Division of Intermodal and Freight Programs and provide for the responsibilities and functions of the Office of Public Transit.

In regards to statewide public transportation development and administration of federal transit funds, SCDOT’s Office of Public Transit has the primary responsibility for the following:

- Developing and coordinating a general public transit program and policy for the state in order to encourage the efficient development, implementation, operations, evaluation and monitoring of public transit systems, both public and private;
• Developing and implementing public transportation programs throughout the state;

• Ensuring adherence to federal program guidelines by all subrecipients through periodic monitoring and oversight;

• Notifying eligible and/or potential local entities of the availability of programs;

• Developing project selection criteria;

• Soliciting applications;

• Ensuring fair and equitable distribution of program funds;

• Ensuring the maximum feasible coordination of transit resources at both the state and local levels; and

• Ensuring a process whereby private transit and paratransit operators are provided an opportunity to participate to the maximum extent feasible.

Act Number 197 of the Act of 1987, South Carolina Code of Laws, amended the State's Gasoline Tax legislation (Chapter 27 of Title 12) by imposing an additional three cents per gallon on the sale of gasoline in South Carolina. Included in Section 4 of the Act is a provision authorizing the Select Oversight Committee: "To direct one quarter of one cent from the additional tax levied in this Act to fund public transportation activities in this State and to provide that this authorization is effective only until June 30, 1988." The one-quarter cent per gallon tax provision for public transportation activities in the State remains in effect under Section 12-28-2725 of the SC Code of Laws.

The Office of Public Transit administers all FTA programs in the State. This document outlines the policies and procedures for management of the §5311 (Non-urbanized Area), §5310 (Elderly Individuals and Individuals with Disabilities), §5339 (Bus and Bus Facilities), §5311(c) (Public Transportation on Indian Reservations), and §5311(b) (3) (Rural Transit Assistance Program).

**Metropolitan Planning Organizations (MPOs)**

A Metropolitan Planning Organization (MPO) is a transportation policy-making organization made up of representatives from local government and transportation authorities. MPOs were created in order to ensure that existing and future expenditures for transportation projects and programs were based on a comprehensive, cooperative, and continuing (3-C) planning process.

The role of the MPO includes: establishing a local forum for transportation decision making; evaluating transportation alternatives; developing and updating a long-range transportation plan; developing a Transportation Improvement Program (TIP); and incorporating both elected official and public involvement.
The SCDOT works in cooperation with these local groups in developing their TIPs. In accordance with federal regulations, the MPOs establish their project priorities and SCDOT includes those in the statewide program.

There are eleven Metropolitan Planning Organizations (MPOs) in South Carolina and their contact information is as follows:

<table>
<thead>
<tr>
<th>MPO</th>
<th>Contact Information</th>
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<td>ANATS</td>
<td>City of Anderson Community Planning &amp; Development</td>
</tr>
<tr>
<td></td>
<td>401 South Main Street</td>
</tr>
<tr>
<td></td>
<td>Anderson, SC 29624</td>
</tr>
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<td></td>
<td>864-231-2222</td>
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<td><a href="https://www.cityofandersonsc.com/anderson-area-transportation-study/">https://www.cityofandersonsc.com/anderson-area-transportation-study/</a></td>
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<tr>
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<td>Aiken County Planning &amp; Development</td>
</tr>
<tr>
<td></td>
<td>1680 Richland Avenue West</td>
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<tr>
<td></td>
<td>Suite 130</td>
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<tr>
<td></td>
<td>Aiken, SC 29801</td>
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<td>803-642-1520</td>
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<td><a href="https://www.augustaga.gov/680/ARTS-Metropolitan-Planning-Organization">https://www.augustaga.gov/680/ARTS-Metropolitan-Planning-Organization</a></td>
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<tr>
<td>CHATS</td>
<td>Berkeley-Charleston-Dorchester Council of Governments</td>
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<tr>
<td></td>
<td>1362 McMillan Avenue, Suite 100</td>
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<td></td>
<td>N. Charleston, SC 29406</td>
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<td>843-529-0400</td>
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<td><a href="http://www.bcdcog.com">www.bcdcog.com</a></td>
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<tr>
<td>COATS</td>
<td>Central Midlands Council of Governments</td>
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<tr>
<td></td>
<td>236 Stoneridge Drive Columbia, SC 29210</td>
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<td>803-376-5390</td>
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<td><a href="http://www.centralmidlands.org">www.centralmidlands.org</a></td>
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<tr>
<td>FLATS</td>
<td>Florence County Planning &amp; Development</td>
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<td></td>
<td>218 West Evans Street</td>
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<td></td>
<td>Florence, SC 29501</td>
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<td>843-676-8600</td>
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<td><a href="http://florenceco.org/offices/planning/flats/">http://florenceco.org/offices/planning/flats/</a></td>
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<td>GSATS</td>
<td>Waccamaw Regional Planning and Development Council</td>
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<tr>
<td></td>
<td>1230 Highmarket Street</td>
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<tr>
<td></td>
<td>Georgetown, SC 29440</td>
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<td>843-546-8502</td>
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<td><a href="http://www.wrcog.org">www.wrcog.org</a></td>
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<tr>
<td>GPATS</td>
<td>Greenville County Planning Commission</td>
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<tr>
<td></td>
<td>301 University Ridge, Suite 400</td>
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<td>Greenville, SC 29601-3660</td>
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<td>864-467-7270</td>
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<td><a href="http://www.gpats.org/">http://www.gpats.org/</a></td>
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<tr>
<td>GSATS</td>
<td>Lowcountry Council of Governments</td>
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<td></td>
<td>Post Office Box 98</td>
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<tr>
<td></td>
<td>Yemassee, SC 29945</td>
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<td></td>
<td>843-726-5536</td>
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<td><a href="http://www.lowcountrycog.org">www.lowcountrycog.org</a></td>
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<tr>
<td>RFATS</td>
<td>City of Rock Hill</td>
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<tr>
<td></td>
<td>Post Office Box 11706</td>
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<tr>
<td></td>
<td>Rock Hill, SC 29731</td>
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<tr>
<td></td>
<td>803-329-7080 FAX #: 803-329-7228</td>
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<td><a href="http://www.rfats.org/">http://www.rfats.org/</a></td>
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<tr>
<td>SPATS</td>
<td>Spartanburg County Planning and Development Commission</td>
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<td>County Administration Office Building</td>
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<tr>
<td></td>
<td>366 North Church Street</td>
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<td></td>
<td>Spartanburg, SC 29303</td>
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<td>864-596-3570</td>
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<td><a href="http://spatsmpo.com/">http://spatsmpo.com/</a></td>
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</tbody>
</table>
Council of Governments (COGs)

Rural communities that are not a part of the urbanized areas of MPOs are included in Councils of Governments (COG). COGs are a regional form to allow local governments to come together to address common challenges, such as: infrastructure, community and economic development, and other general regional governmental issues. Their role is similar to the MPO, allowing a public forum for transportation decision making and analyzing the areas long-range transportation needs. The COG’s five-year program is approved by the SCDOT Commission and appears in the SCDOT Statewide Transportation Improvement Program (STIP).

The contact information for all the COGs in South Carolina is as follows:

<table>
<thead>
<tr>
<th>Appalachian Council of Governments</th>
<th>Berkeley-Charleston-Dorchester Council of Governments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post Office Drawer 6668</td>
<td>Post Office Drawer 6668</td>
</tr>
<tr>
<td>Greenville, South Carolina 29606</td>
<td>Greenville, South Carolina 29606</td>
</tr>
<tr>
<td>(864) 242-9733</td>
<td>(864) 242-9733</td>
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<tr>
<td><a href="http://www.scacog.org">www.scacog.org</a></td>
<td><a href="http://www.scacog.org">www.scacog.org</a></td>
</tr>
<tr>
<td>(Anderson, Cherokee, Greenville, Oconee, Pickens &amp; Spartanburg Counties)</td>
<td>(Anderson, Cherokee, Greenville, Oconee, Pickens &amp; Spartanburg Counties)</td>
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<thead>
<tr>
<th>Catawba Regional Council of Governments</th>
<th>Central Midlands Council of Governments</th>
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<tbody>
<tr>
<td>Post Office Box 450</td>
<td>236 Stoneridge Drive</td>
</tr>
<tr>
<td>Rock Hill, South Carolina 29731</td>
<td>Columbia, South Carolina 29210</td>
</tr>
<tr>
<td>(803) 327-9041</td>
<td>(803) 376-5390</td>
</tr>
<tr>
<td><a href="http://www.catawbacog.org">www.catawbacog.org</a></td>
<td><a href="http://www.centralmidlands.org">www.centralmidlands.org</a></td>
</tr>
<tr>
<td>(Chester, Lancaster, Union and York Counties)</td>
<td>(Fairfield, Lexington, Newberry &amp; Richland Counties)</td>
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<tr>
<th>Lowcountry Council of Governments</th>
<th>Lower Savannah Council of Governments</th>
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<tr>
<td>Post Office Box 98</td>
<td>Post Office Box 850</td>
</tr>
<tr>
<td>Yemassee, SC 29945</td>
<td>Aiken, South Carolina 29802</td>
</tr>
<tr>
<td>(843) 726-5536</td>
<td>(803) 649-7981</td>
</tr>
<tr>
<td><a href="http://www.lowcountrycog.org">www.lowcountrycog.org</a></td>
<td><a href="http://www.lscog.org">www.lscog.org</a></td>
</tr>
<tr>
<td>(Beaufort, Colleton, Hampton &amp; Jasper Counties)</td>
<td>(Aiken, Allendale, Bamberg, Barnwell, Calhoun &amp; Orangeburg Counties)</td>
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<tr>
<th>Pee Dee Regional Council of Governments</th>
<th>Santee Lynches Regional Council of Governments</th>
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<tr>
<td>Post Office Box 5719</td>
<td>Post Office Box 1837</td>
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<tr>
<td>Florence, South Carolina 29502</td>
<td>Sumter, South Carolina 29150</td>
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<tr>
<td>(843) 669-4392</td>
<td>(803) 775-7381</td>
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<td>peedecog.org</td>
<td><a href="http://www.santeelynehescog.org">www.santeelynehescog.org</a></td>
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<tr>
<td>(Chesterfield, Darlington, Dillon, Florence, Marion &amp; Marlboro Counties)</td>
<td>(Clarendon, Kershaw, Lee &amp; Sumter Counties)</td>
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</table>
Statewide Transportation Improvement Program (STIP)

The STIP is a comprehensive report listing the various types of projects in which work activity is planned within the next six years. The report details the funding of each project and the work phase for each project in the appropriate year.

The STIP is a product of the transportation programs planning process. The final product becomes a project scheduling and funding document. The projects are identified through various transportation management systems and planning processes involving local and regional governments, Metropolitan Planning Organizations (MPOs), Councils of Governments (COGs), other state and transportation agencies, and the public. Through the STIP, SCDOT allocates resources to those projects assigned the highest priority through these planning and programming processes.

The Office of Public Transit-related projects are included in the STIP as required and presented to the SCDOT Commission for approval. These projects reflect proposed projects based on appropriated or estimated FTA program funding allocations. Programs include FTA Formula Programs such as: Enhanced Mobility for Seniors and Individuals with Disabilities Program (49USC 5310), Formula Grants for Rural Areas Program (49USC 5311), Rural Transit Assistance Program, (49USC 5311(b)(3)), Statewide Administration (49USC 5310 and 5311), State Planning and Research (49USC 5304), Metropolitan Planning (49USC 5303), Urbanized Area Formula Program (49USC 5307), and various Discretionary Funding Programs as announced by FTA.

The current STIP is produced and printed by the SCDOT Office of Planning as part of a federal requirement of the Fixing America's Surface Transportation Act (FASTACT) law and can be found on the SCDOT website at: https://www.scdot.org/inside/planning-stip.aspx

For more information on STIP, refer to Chapter 2.

Chapter 2: Overview of Transit Programs

Section 5303 and 5304 – Metropolitan & Statewide and Non-Metropolitan Transportation Planning

This program provides funding and procedural requirements for multimodal transportation planning in metropolitan areas and states that are cooperative, continuous, and comprehensive. The results of the program are long-range plans and short-range programs of transportation planning.
investment priorities. The planning programs are jointly funded by FTA and the Federal Highway Administration (FHWA), through a consolidated planning program.

Eligible subrecipients are metropolitan planning organizations (MPO).

**Section 5307 - Urbanized Area Formula Grants**

This program makes Federal resources available to urbanized areas and to Governors for transit capital and operating assistance in urbanized areas and for transportation related planning. An urbanized area is an incorporated area with a population of 50,000 or more that is designated as such by the U.S. Department of Commerce, Bureau of the Census.

Eligible purposes include financing capital and planning projects, job access and reverse commute projects, associated transit improvements, and certain operating costs, as described in FTA C 9030.1E (as amended), Urbanized Area Formula Program Guidance.

For urbanized areas with a population of 200,000 and over, funds are apportioned and flow directly to a designated recipient selected locally to apply for and receive Federal funds. For urbanized areas under 200,000 in population, the funds are apportioned to the Governor of each state for distribution.

**Section 5310 – Enhanced Mobility of Seniors and Individuals with Disabilities Program**

The 5310 program is intended to assist private or designated public nonprofit agencies in meeting the transportation needs of older adults and people with disabilities. The Office of Public Transit, through the Section 5310 program, provides funds to private nonprofit entities, public bodies/governmental authorities approved by the state to coordinate transportation services for older adults and people with disabilities, or public bodies/governmental authorities which certify to the Governor that no private nonprofit entity or association is readily available in an area to provide the service.

Federal financial assistance under the Section 5310 program is limited to participation in the cost of capital equipment (rolling stock), cost for purchase of transportation service contract(s), mobility management, operational costs related to enhanced mobility and state-level administrative costs to administer the program.

The goal of the Section 5310 program is to improve mobility for older adults and people with disabilities throughout the state and to enhance coordination of federally assisted programs and services in order to encourage the most efficient use of federal resources and achieve the national goal of improved mobility of elderly persons and persons with disabilities. In South Carolina both private and public nonprofit agencies are encouraged to coordinate transportation services with agencies that provide transportation services to the general public. Projects funded with Section 5310 must be derived from a locally developed coordinated public transit-human service transportation plan.
**Section 5311 – Formula Grants for Rural Areas Program**

The 5311 program is intended to provide financial assistance for the support of public transportation services, which are open to the general public on an equal basis in non-urbanized areas of less than 50,000 in population.

The 5311 funds can be used for the costs of transit planning activities, transit operations and purchase of capital equipment or facilities to aid in provision of transit services in rural and small urban areas, as well as provide funds for state-level administration. Federal regulation requires that a specified percentage of these funds be reserved each year to support an Intercity Bus Program, unless the Governor of a state certifies that intercity bus needs in the state are being met.

Through the Section 5311 Program, the Office of Public Transit provides administrative, operating and capital assistance to public transportation projects in non-urbanized (rural) areas. The program goals are designed to:

- Assist in meeting the transportation needs of transit-dependent people and to enhance access to health care, shopping, education, employment, public services, and recreation;
- Assist in the maintenance, development, improvement and use of public transportation systems;
- Encourage and facilitate the most efficient use of all federal funds used to provide passenger transportation in rural areas through the coordination of programs and services;
- Assist in the development and support of intercity bus transportation; and
- Provide for the participation of private transportation providers in rural transportation to the maximum extent feasible.

**RTAP Section 5311(b) (3) – Rural Transit Assistance Program**

Section 5311(b) (3) authorizes the State “to make grants and contracts for transportation research, technical assistance, training, and related support services in rural areas.” The Rural Transit Assistance Program (RTAP) provides a source of funding to assist in the design and implementation of training and technical assistance projects and other support services tailored to meet the specific needs of transit operators in non-urbanized areas. RTAP has both state and national program components.

The State program provides an annual allocation to each state for development and implementation of training and technical assistance programs in conjunction with the State’s administration of the Section 5311 formula assistance program. The national program provides for the development of information and materials for use by local operators and state-level administrators, and supports research and technical assistance projects of national interest.

The objectives of RTAP are:
To promote the safe and effective delivery of public transportation in non-urbanized areas and to make more efficient use of public and private resources;

To foster the development of state and local capacity for addressing the training and technical assistance needs of the rural/small urban transportation community;

To improve the quality of information and technical assistance available through the development of training and technical assistance resource materials; and

To facilitate peer-to-peer self-help through the development of local networks of transit professionals.

Funds can be used to directly provide training and/or technical assistance with state staff, to contract with others for provision of training/technical assistance, to assist local entities with the cost of training available from other sources, and to develop local capabilities for self-help. Refer to Chapter 12 for more information on RTAP.

**Tribal Transit Program Section 5311(c)**

Title 49 U.S.C. 5311(c) authorizes the Public Transportation on Indian Reservations (Tribal Transit) Program, which allocates funds by both statutory formula and through a competitive discretionary program. FTA consulted with Tribal recipients and stakeholders to implement these program requirements. FTA apportions the available formula funds for grants to Indian tribes for purposes eligible under Section 5311; including capital, operating, planning, job access and reverse commute projects, and administrative costs. For the discretionary allocations, specific project eligibility will be announced in the Notice of Funding Availability (NOFA) that solicits proposals.

States will continue to have a responsibility to include Indian tribes in the announcement of Section 5311 funds apportioned to the state. The Catawba Indian Nation (aka Catawba Tribe of South Carolina) is the only federally recognized Indian Tribe in South Carolina.

**ADTAP Section 5311(c) (2) – Appalachian Development Transit Assistance Program**

Section 5311(c) (2) authorizes and provides funding for a new Appalachian Development Public Transportation Assistance Program (ADTAP). This program is funded with a takedown under the Section 5311 program to provide additional funding to states in the Appalachian region of the United States.

The formula is established based on Section 9.5(b) of the Appalachian Regional Commission Code (subtitle 40). Funds may be used for public transportation activities consistent with the formula grants for rural areas program. Counties within South Carolina that are eligible for ADTAP program funds include: Anderson, Cherokee, Greenville, Oconee, Pickens, and Spartanburg Counties. SCDOT currently utilize these funds to supplement Section 5311 allocations for the City of Seneca (Oconee County), and Anderson County. These entities are currently the only two subrecipients that are eligible to receive ADTAP funds.

States that are eligible for ADTAP may use amounts that cannot be used for operating expenses for a highway project if the Governor approves the use in writing after appropriate notice and an opportunity for comment and appeal are provided to affected public transportation providers; and
the governor has determined that the local transit needs are being addressed. In order for FTA to consider the transfer, a state must provide documentation to the FTA regional office that includes: a description of the consultation efforts used to establish stakeholder involvement (i.e., state, local transit operators, and local MPO), and a certification that the funds cannot be used for operating. Upon receipt, FTA will review the request and, if approved, will transfer the funds consistent with FTA’s transfer process.

**Intercity Bus - Section 5311(f) (FTA Circular 9040.1G, as amended)**

Section 5311(f) requires each state to spend 15% of its annual Section 5311 apportionment "to develop and support intercity bus transportation," unless, after consultation with affected intercity bus providers, the Governor certifies that "the intercity bus needs of the state are adequately being met." The required percentage applies only to the amount of FTA's annual apportionment of Section 5311 funds to the state, not to any funds the state subsequently transfers to its rural area formula program from other programs.

“In many States, intercity bus service is a vital link between otherwise isolated rural communities and the rest of the nation. Historically, major intercity bus carriers abandoned many less productive routes.”

The statutory provision for the Governor certification, implies that an assessment of statewide intercity bus service currently available including any existing or perceived needs. Additionally, consultation with intercity bus providers is required prior to the Governor certification that intercity bus needs are being adequately met. However, it the goal of the SCDOT to host an annual consultation with intercity bus providers in the State regardless of the certification status.

In August 2016, the South Carolina Department of Transportation (SCDOT) contracted with a consulting group who completed an exhaustive Intercity Bus Service Network Analysis in South Carolina. Through this study, it was concluded that intercity bus service needs across South Carolina are substantially being met; however, intercity bus service is not adequate. Therefore, SCDOT will not be utilizing the full 15% of the annual apportionment for intercity bus transportation, as would have been required.

**Eligible Service and Service Areas**

States can use Section 5311 funds for public transportation projects, improve intercity infrastructure and intercity signage, and intercity bus transportation projects in rural areas.

**Objectives:**

1. Support the connection between rural areas and the larger regional or national system of intercity bus service.

2. Meet the intercity travel needs of residents in rural areas.

3. Support the infrastructure of the intercity bus network through planning and marketing assistance and capital investment in facilities.
Intercity Bus Program Performance Standards & Expectations:

1. **On-Time performance shall be monitored.**

   It is expected that the Intercity Bus operator will be able to meet all scheduled departure times except in cases of emergency, inclement weather, or the need to hold for late connections. Failure to meet schedules due to maintenance or dispatch problems or equipment failure are the responsibility of the operator and will be considered a failure to perform and may result in additional actions by SCDOT to ensure satisfactory service for the citizens of South Carolina.

2. **Interline Ticketing and Information.**

   Intercity Bus providers must be interline partners on the national intercity bus network. As an interline partner, a provider is able to sell tickets that allow a passenger to buy a single ticket that provides travel through two or more different bus companies.

3. **Drug and Alcohol Policy and Procedures.**

   Intercity Bus providers must meet Drug and Alcohol Policy and Procedures requirements and ensure that employees adhere to policy. Intercity providers that receive FTA financial assistance which supports the majority of their overall operations, will need to submit an approved FTA Drug Free Workplace Policy and an approved Drug and Alcohol Testing Policy.

4. **Americans with Disabilities Act Requirements**

   All providers must comply with 49 C.F.R. pt. 37 and pt.38. All vehicles that operate in South Carolina must be fully wheelchair accessible and operators trained, proficiently, in the use of accessibility features.

5. **Pre-Trip Inspection and Vehicle Maintenance Records**

   Intercity Bus providers will be required to keep vehicle maintenance and pre-trip inspection records on all FTA/SCDOT funded vehicles. SCDOT may conduct site visits to review such records to ensure appropriate recordkeeping and to inspect the fleet used in these services.

6. **Compliance with All Federal and State Requirements**

   Intercity Bus providers must comply with all Federal and State requirements pertaining to the 5311(f) programs and applicable sections of the SCDOT State Management Plan.

7. **Performance Reporting & Measures**

   A. Provide SCDOT with a complete listing of schedules and stops in the State of South Carolina. Notify SCDOT in writing if a scheduled stop is eliminated or added. Notification must include written justification for the change.
B. Provide SCDOT with annual ridership figures for each stop in South Carolina on each subsidized route. Provide ridership figures for passenger trips that originated or connected to other Intercity Bus providers in South Carolina.

C. Provide SCDOT with yearly mileage for each FTA/SCDOT funded vehicle, to include in-state mileage per vehicle.

8. Annual Audit

For-profit subrecipients expending OPT administered Section 5311(f) funds must have a program specific audit performed annually in compliance with 2 CFR §200.507 Program-specific Audits. If OPT federal funds expended are less than $750,000 then no data collection form is required to be submitted to the federal clearing house.

Program specific audits must include a Schedule of Budget to Actual for each OPT contract in which funds were expended. The schedule is to include notes that describe significant policies and explanations variances between Form 600 reporting and the audit schedule. In compliance with 2 CFR §200.507(c), program specific audits must be submitted to OPT within 9 months of the agency’s fiscal year end. Audits may be submitted electronically.

Section 5339 – Bus and Bus Facilities Grant Program

This Capital Investment Program, formerly known as the Section 5309 Discretionary Grant Program, has been replaced by the Bus and Bus Facilities Program and is now authorized under the provisions set forth in 49 U.S.C. 5339. Guidance for the Section 5339 program can be found under FTA Circular 5100.1 (as amended). The FTA may make grants to assist states and local governmental authorities in financing capital projects such as bus and bus facilities, fixed guideway modernization, new fixed guideway systems, and development of corridors to support new fixed guideway systems.

The goal of the Section 5339 program is to provide funds to invest in capital equipment and facilities to allow for efficient and improved public transportation services. For bus and bus-related facilities, the program provides for extraordinary capital needs that require resources in excess of funds supplied by formula funding or to advance important special emphasis initiatives. For fixed guideway modernization, the program provides funds to rehabilitate and renovate older fixed guideway systems. For all program-funded projects, FTA expects recipient agencies to maintain sufficient funding resources to ensure the recapitalization and operation of the overall transit system.

Note: The funds of the Section 5339 program are available to subrecipients of the 5311 program and operators of small urban transit systems.

Coordination Planning

FTA circular 9070 (as amended) requires projects under Section 5310 to be derived from a locally developed and coordinated (public transit) human services transportation plan for all FTA programs for underserved populations which includes the Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310) Program. The provisions ensure that communities coordinate transportation resources provided through multiple Federal programs.
In urbanized areas with populations less than 200,000, and in rural areas, the state is the designated recipient for the administration of funding under the Section 5310 program. For these areas, the Governor has designated the South Carolina Department of Transportation (SCDOT) to be responsible for administering the program, and has officially notified FTA’s Region 4 office in writing of this designation. In urbanized areas over 200,000 in population, the Governor, in conjunction with responsible local officials, designates the recipient. Urbanized areas over 200,000 in population include Greenville, Charleston, Columbia, the greater Myrtle Beach area, and a portion of Aiken County.

Through a regional coordinated planning effort (discussed in Chapter 5 of this plan), SCDOT has implemented a uniform application and selection process for the Section 5310 program for all COGs.

**State Role in Program Administration**

It is the goal of SCDOT, through its Office of Public Transit, to maximize the benefits received through Section 5310 and 5311 programs by facilitating mobility options to business, commercial, educational and other activities in support of local economic progress and development. To this end, the Office of Public Transit has integrated the administration of these programs as much as possible to streamline its oversight functions, while remaining committed to the separate goals established for each program by Congress.

The SCDOT shares a partnership role with local governments or its representatives committed to operating rural public transportation programs. As administrator of the funds, SCDOT assumes responsibility for the organization and management of these programs. In this capacity, SCDOT functions as a conduit for funds and financial programming. SCDOT also responds to the Federal funding agency (FTA), and to the State Legislature for program administration. SCDOT develops criteria for application approval, notifies eligible local recipients of the availability of program funds, reviews and selects applicants for funding, ensures compliance with federal requirements, and monitors project activity.

**Local Role in Program Administration and Operations**

A local public or nonprofit agency may elect to operate the system by contract with a third party operator (TPO). Under a TPO, the local agency has full contract responsibility and fiscal accountability. The public agency is accountable for all financial matters and for compliance with Federal and State program requirements. These requirements are outlined in the following documents (as updated or amended):

- **FTA Circular 9030.1E**: Urbanized Area Formula Program;
- **FTA Circular 9040.1G**: Formula Grants for Rural Areas;
- **FTA Circular 9070.1G**: Enhanced Mobility of Seniors and Individuals with Disabilities Formula Program;
- **FTA Circular 5100.1**: Bus and Bus Facilities Formula Program;
- **FTA Circular 4220.1E**: Third Party Contracting;
• FTA Circular 5010.1E: Award Management;
• Annual Federal Certifications and Assurances;
• Annual FTA Master Agreement; and
• Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (OMB Supercircular)

Goals and Objectives

South Carolina Statewide Multimodal Transportation Transit Vision Statement
Public transit, connecting people and places through multiple-passenger, land or water-based means, will contribute to the state’s continued economic growth through a dedicated and sound investment approach as a viable mobility option accessible to all South Carolina residents and visitors.

Economic growth
• Recognize and promote public transit as a key component of economic development initiatives, such as linking workers to jobs, supporting tourism, and accommodating the growth of South Carolina as a retirement destination through public / private partnerships.

• Enhance the image of public transit through a comprehensive and continuing marketing / education program that illustrates the benefits of quality transit services.

Sound investment approach
• Ensure stewardship of public transit investments through a defined oversight program.

• Increase dedicated state public transit funding.

• Make public transit reasonable and affordable by encouraging more local investment and promoting coordinated land use / transportation planning at the local level.

• Utilize an incremental approach regarding the development and implementation of new public transit investments that recognizes funding constraints at both the federal and state levels, and the need to continue providing funding for existing services.

Viability of transit
• Provide quality, affordable public transit services using safe, clean, comfortable, reliable, and well-maintained vehicles.

• Increase statewide public transit ridership.

• Utilize different modes of public transit including bus, rail, vanpool, carpool, ferry, and other appropriate technologies, corresponding to the level of demand.
Accessibility to all

- Provide an appropriate level of public transit that supports intermodal connectivity in all 46 counties within the state of South Carolina.

- Develop and implement a coordinated interagency human services transportation delivery network.

Office of Public Transit Mission Statement and Goals

The mission of the Office of Public Transit is to support the development of transit as a viable transportation choice for all citizens of and visitors to South Carolina through:

- Providing access and mobility to all segments of the population, especially the transit dependent;

- Assisting our customers in effectively and efficiently providing transportation options;

- Promoting public transportation education to the public, elected officials, and partners;

- Enhancing service quality within the state;

- Creation of a Statewide Transportation Network;

- Promoting safe and affordable transit service; and

- Expanding funding opportunities for public transportation and effectively manage, leverage, and oversee the use of those funds.

Office of Public Transit Program Objectives

Section 5303 and 5304 – Metropolitan & Statewide and Non-Metropolitan Transportation Planning

- Require MPOs in urbanized areas to include transit officials on their policy boards.

Note: All FTA Section 5303, and a portion of the Section 5304 funds are transferred annually to the SCDOT Planning Office. The Office of Public Transit prepares an annual notification letter to FTA Region IV Office requesting to combine these funds with FHWA’s 23 USC 104(f) Metropolitan Planning Program funds (M77D) to create a consolidated planning grant. FHWA is responsible for ensuring program compliance once these funds are transferred.

- Prepare an annual notification letter to the FTA Region IV Office to initiate the transfer of funds.
Section 5310 – Enhanced Mobility of Seniors and Individuals with Disabilities

- Ensure that older adults and people with disabilities have the same rights as all people to utilize transportation facilities and services.

- Special efforts shall be made in the planning and design of transportation facilities and services to assure older adults and people with disabilities the availability of transportation which they can effectively utilize.

- Continue to provide for the special needs of older adults and people with disabilities for which general public transportation services are unavailable, insufficient or inappropriate.

Section 5311 – Formula Grants for Rural Areas

- Enhance access of people in non-urbanized areas to health care, shopping, education, employment, public services and recreation.

- To assist in the maintenance, development, improvement, and use of public transportation systems in rural and small urban areas.

- Maintain needed intercity public transportation services through assistance to intercity transit operators who serve residents of non-urbanized areas.

Section 5311 (b) (3) Rural Transit Assistance Program

- Promote the safe and effective delivery of public transportation in non-urbanized areas through professional development and make the most efficient use of public and private resources.

- To foster the development of state and local capacity of addressing the training and technical assistance needs of the rural, small urban transportation community.

- To improve the quality of information and technical assistance available through the development of training and technical assistance resource materials.

- To facilitate peer-to-peer self-help through the development of local networks of transit professionals.

- To support the coordination of public and private specialized human service transportation services.

Section 5339 Bus and Bus Facilities Formula Program

- Promote safe public transit assets through the timely replacement of assets that have met their useful life,

- Promote a safe and secure working environment both for transit employees and user, by providing funding for the construction and renovation of transit facilities,

- Maintain a statewide transportation infrastructure, by ensuring that transit assets including facilities are continuously being up graded to meet current demand.


**Long Range Planning**

Transportation planning supports the economic vitality for the state by increasing available options and enhancing the integration and connectivity of the transportation system, across and between modes, for people and freight. Transportation planning is more than merely listing highway and transit capital investments. It requires developing strategies for operating, managing, maintaining, and financing the area's transportation system to advance the area's long-term goals. An efficient transportation system can improve the economy, shape development patterns, and influence quality of life and the natural environment.

The South Carolina Department of Transportation (SCDOT) Office of Public Transit in partnership with the Office of Planning provides direct support to state, regional and local agencies in ongoing transportation planning. The transportation planning process is a cooperative effort between SCDOT, Metropolitan Planning Organizations (MPO), Council of Governments (COG), elected officials, and transit providers.

**Performance-Based Planning**

Performance-based planning has the goal of bringing about significant changes to the statewide and metropolitan planning processes. The establishment of a performance management framework represents an attempt to improve project management decision-making through performance-based planning and project programming. SCDOT and the Office of Public Transit support performance management strategies that are designed to foster transparent and accountable decision-making processes at the state, MPO and public transit agency levels.

**2040 Statewide Multimodal Transportation Plan**

The South Carolina Department of Transportation (SCDOT), in partnership with the South Carolina Department of Commerce, South Carolina State Ports Authority, Federal Highway Administration, Federal Transit Administration, and other key stakeholders have updated the South Carolina Multimodal Transportation Plan (MTP), "Charting a Course to 2040". The MTP is updated every 5 years to reflect the latest information on travel and growth trends, goals and objectives, infrastructure conditions, future deficiencies, and estimated funding. The MTP was adopted by the SCDOT Commission in December, 2014.

The 2040 Multimodal Transportation Plan is comprised of several component plans that include the following:

- **Executive Summary** includes the vision, goals, objectives, and measures for the overall MTP, as well as analysis of transportation system needs and funding;

- **Interstate Plan** includes the analysis of current congestion and forecast of future congestion;

- **Freight Plan** includes inventory of infrastructure, condition, commodity flows, performance measures, and the identification of the Strategic Freight Network;

- **Strategic Corridor Network Plan** includes the network evaluation and identification methodology, analysis of current congestion and forecast of future congestion;
• **Rail Plan** includes freight and passenger service, performance, trends, and needs;

• **Statewide Transit Plan** includes review of existing service, trends, human service coordination, and needs;

• Regional Public Transit and Human Health Service Coordination Plans for each of the state's ten regions and includes review of existing services, trends, human service coordination, and needs:
  
  o Appalachian Regional Transit Plan
  
  o Berkeley-Charleston-Dorchester Regional Transit Plan
  
  o Catawba Regional Transit Plan
  
  o Central Midlands Regional Transit Plan
  
  o Lowcountry Regional Transit Plan
  
  o Lower Savannah Regional Transit Plan
  
  o Pee Dee Regional Transit Plan
  
  o Santee-Lynches Regional Transit Plan
  
  o Upper Savannah Regional Transit Plan
  
  o Waccamaw Regional Transit Plan

• **The Statewide Strategic Safety Plan** to identify emphasis areas and strategies aimed at eliminating highway fatalities and severe injuries. For more information on the Safety Plan visit the website: [www.sctargetzeroplan.org](http://www.sctargetzeroplan.org)

**Statewide Transportation Improvement Program (STIP)**

The South Carolina Statewide Transportation Improvement Program (STIP) is the State's six-year transportation improvement program for all projects or program areas receiving federal funding, including bridges, safety, roadway resurfacing, interstate maintenance and upgrades, primary and secondary road system upgrades, federal lands access projects, transportation alternatives, congestion mitigation and air quality, and transit-related projects. The STIP covers all federally funded improvements for which funding has been approved and that are expected to be undertaken during the upcoming six-year period.

The South Carolina Department of Transportation (SCDOT), through cooperation and coordination with the Metropolitan Planning Organizations (MPOs) and the rural Councils of Government (COGs), maintains the Statewide Transportation Improvement Program (STIP). To comply with federal rules, the MPO's Transportation Improvement Program (TIPs) and the SCDOT STIP must be consistent with one another. The approved STIP is frequently revised to reflect changes as a project matures; therefore, before the STIP is revised to reflect a project change in an MPO area, the MPO’s TIP must first be revised.
These changes may be initiated by SCDOT, or the MPO, and depending upon significance and complexity, require Federal approval. Through interagency consultation, the SCDOT Planning Office and Office of Public Transit coordinate with representatives from Federal Highway Administration (FHWA), Federal Transit Administration (FTA), Environmental Protection Agency (EPA), MPOs, and COGs to discuss any matters regarding modifications of the STIP. The goal of the STIP Administration and Coordination Process is to clarify and define decision thresholds for the STIP document so modifications can be executed in a consistent and timely fashion.

The SCDOT STIP, as well as the STIP Administration and Coordination Process guidance is located within the SCDOT Office of Planning webpage.

The rural planning process is formally established by agreement between the SCDOT and the COGs. Each COG, in association with SCDOT, is responsible for implementing a transportation planning process that fully complies with the federal planning requirements. Through this process, each COG, through its regional transit planning committee partners (e.g., local public providers, elected officials, special interest groups) establishes regional goals and objectives, identifies the current condition of the transportation system, provides research and data analysis, identifies and prioritizes transportation needs for input to the regional long-range transportation plan, the Statewide Multimodal Transportation Plan, and the STIP.

**Consultation and Cooperation with Local Officials**

The current rural planning process in South Carolina allows for direct participation and involvement of non-metropolitan local officials through the COGs in development of transportation plans and priorities for their respective region. This consultation process applies to the Statewide Multimodal Transportation Plan by including the COGs and other transportation providers as partners in the planning process. This process is separate and discrete from the public involvement process.

Each COG is charged with maintaining a regional transportation advisory committee with representatives from local government, elected officials, public and private transportation providers, and special interest groups. The transportation advisory committee plays an important role in identifying, analyzing and prioritizing transportation needs and goals for their respective regions. As a result of the transportation advisory committee and COG Boards, local governments/elected officials, public and private transportation providers are directly consulted and given an opportunity to identify transportation needs. The committees are encouraged to meet at least bi-annually or as needed to review project status, evaluate proposed modifications to the TIP/STIP, update long-range plan and funding priorities, comment on rural functional classification changes, receive input on the rural work programs, and coordinate special studies.

**Eligibility**

**Eligible Subrecipients**

To be eligible to receive allocations of Section 5310 or 5311 funds, an eligible subrecipient must submit a resolution from the Council of the county or counties they are proposing to serve. The resolution shall be signed by the Authorized Official and certified by their attorney. Additionally, each subrecipient agrees to comply with applicable certifications and assurances.
SCDOT follows the eligibility criteria as stated by the FTA and has no additional restrictions. The following specific guidance applies:

Section 5310 Projects
There are four types of applicant organizations eligible to receive funds under Section 5310, which is intended to address the special transportation needs of older adults and people with disabilities:

- Private/nonprofit organizations. A nonprofit organization is a corporation or association determined by the United States Secretary of the Treasury to be an organization described by 26 U.S.C. §501 (c) that is exempt from taxation under 26 U.S.C. §501 (a).

- Public bodies/Governmental Authorities that certify to the Governor that no nonprofit corporations or associations are readily available in an area to provide the service; and

- Public bodies/Governmental Authorities approved by the state to coordinate services for the older adults and people with disabilities.

- Private taxi operators acting as third party contractors for recipients or subrecipients for transit services.

Private/nonprofit applicants must submit an attorney's certification declaring the agency’s legal status, and attach a copy of their charter as listed with the South Carolina Secretary of State.

Public bodies that certify that no non-profit corporations or associations are readily available in the area to provide the service must submit documentation. The applicant shall survey the human service agencies in the area (local private non-profit) to ascertain that they cannot provide the service referenced in the application for funding. Documentation shall include letters from local private non-profit organizations stating that they do not provide transportation services in the proposed service area.

Private operators of public transportation are eligible subrecipients. The definition of “public transportation” includes “….shared-ride surface transportation services”… Private taxi companies that provide shared-ride taxi service to the general public on a regular basis are operators of public transportation and therefore, eligible subrecipients. “Shared-ride” means two or more passengers in the same vehicle who are otherwise not traveling together. Similar to general public and ADA demand response service, every trip does not have to be shared-ride in order for a taxi company to be considered a shared-ride operator, but the general nature of the service must include shared rides.

Taxi companies that provide only exclusive-ride service are not eligible subrecipients; however, they may participate in the Section 5310 program as contractors. Exclusive-ride taxi companies may receive Section 5310 program funds to purchase accessible taxis under contract with a state, designated recipient, or eligible subrecipient such as a local government or non-profit organization.
Section 5311 – Rural Area Formula Program
State and local public agencies are eligible to receive financial assistance under Section 5311. These agencies are defined as follows:

- **State Agency** - any legally constituted state government agency, department, commission, council, board, bureau, committee, institution, college, regional transit authorities, university, technical school or Government Corporation of the State of South Carolina Government.

- **Local Public Agency** - any legally constituted political subdivision of the State such as towns, municipalities, counties, transportation authorities, public corporations, boards, Indian tribes (federally recognized or other Indian tribes) commissions and other public agencies established under State law.

- **Private Nonprofit Organization** - A nonprofit organization is a corporation or association determined by the United States Secretary of the Treasury to be an organization described by 26 U.S.C. §501 (c) that is exempt from taxation under 26 U.S.C. §501 (a). Eligible nonprofit organizations may also serve tribal transportation needs.

- **Private For-Profit operators** of transit services or intercity bus services may participate in the program as third party contractors for recipients or as subrecipients.

- **Indian Tribal Governments** – Under 49 U.S.C. 5311, a federally recognized Indian tribe is an eligible direct recipient. Should a federally recognized Indian tribe apply and be selected for allocation of Section 5311 funds from the state through the annual application process, SCDOT would notify the selected Indian tribe. The Indian tribe will determine whether to receive funds as a subrecipient of the state or apply directly to FTA for Section 5311 funds. If the Indian tribe notifies SCDOT of its intent to become a direct recipient, SCDOT will notify FTA by letter of the project(s) and amount of funds allocated to the Indian tribe.

Providers of public transportation in urbanized areas who provide service to non-urbanized areas may be eligible recipients. The following guidelines apply:

- Financial assistance is available only for that portion of the service operated in non-urbanized areas;

- The applicant must be capable of segregating allowable operating and non-operating expenses incurred in providing service to non-urbanized areas; and

- The applicant must be one of the following eligible recipients:
  - Transit agencies,
  - Local governmental agencies:
    - A political subdivision of the State.
• Indian tribal government (both Federally recognized and other tribes)
  • Council of Governments (for planning/coordination only),
  • Private non-profit operators of public services,
  • Private for-profit organizations (as third party contractors for recipients or subrecipients for transit services or intercity bus needs only).

The Office of Public Transit may limit subrecipient eligibility in order to comply with laws or to further program goals.

**RTAP Section 5311(b) (3) – Rural Transit Assistance Program**
SCDOT’s Office of Public Transit is the designated recipient for RTAP funds. The RTAP program is intended to provide training and technical assistance to subrecipients and public providers in rural areas. Funds can be used to directly provide training and/or technical assistance with state staff, to contract with others for provision of training/technical assistance, to assist local entities with the cost of training available from other sources, and to develop local capabilities for self-help. Please see Chapter 12 for more information on the RTAP Program.

**Section 5311 (c) – Public Transportation on Indian Reservations**
Commensurate with 49 U.S.C. 5311, a Federally-recognized Indian tribe is an eligible direct recipient. Once the State has notified a Federally-recognized Indian tribe of the selection of its project(s) under the State administered Section 5311 Program and the amount of funds that it will allocate to the tribe from its Section 5311 apportionment, the Indian tribe will then need to decide whether to receive funds as a subrecipient of the State or apply directly to FTA for Section 5311 funds. If the tribe notifies the State of its intent to become a subrecipient, the State will notify FTA by letter of the project(s) and amount of funds that it allocated to the Indian tribe.

As a subrecipient of state-administered Section 5311 funds the Indian tribe must comply with all management requirements of the Section 5311 program as administered by SCDOT. The special terms and conditions that FTA developed for tribes receiving funding under the Tribal Transit Program (Section 5311[c]) are applicable only to that program.

**Section 5339 – Bus and Bus Facilities Program**
Private and public transit agencies that are currently receiving financial assistance under Section 5311 or Section 5307 Small Urban program (Urbanized areas with populations more than 50,000, but less than 200,000) are eligible to receive the state-administered Bus and Bus Facilities Program funds.

**Eligible Activities**

**Section 5310 – Enhanced Mobility of Seniors & Individuals with Disabilities**
The goal of the Section 5310 program is to improve mobility for older adults and people with disabilities. Toward this goal, FTA provides financial assistance for transportation services planned, designed, and carried out to meet these special transportation needs in all areas—
urbanized, small urban, and rural. The program requires coordination of federally assisted programs and services in order to make the most efficient use of Federal resources.

An applicant's service area will be defined in the application and verified by its governing board and county government(s) that the county has designated the agency as an entity to provide transportation for the elderly and people with disabilities.

During those periods when a vehicle is not needed for specific grant-related purposes, it may be used for services to other older adults and people 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 use is incidental to the primary purposes of the vehicle and does not interfere with the use of the vehicle by older adults and people with disabilities. Designated coordinating bodies (COGs) and subrecipients are encouraged to coordinate their resources in order to maximize accessibility and availability of transportation services.

The SCDOT Commission has designated the ten regional Councils of Governments to coordinate transportation services in their regions.

At least 55% of program funds must be used on capital projects that are:

- Public transportation projects planned, designed, and carried out to meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, inappropriate, or unavailable.

The remaining 45% may be used for:

- Public transportation projects that exceed the requirements of the ADA.
- Public transportation projects that improve access to fixed-route service and decrease reliance by individuals with disabilities on complementary paratransit.
- Alternatives to public transportation that assist seniors and individuals with disabilities.

**Section 5311 – Rural Area Formula Program**

Funds available from the Section 5311 program are dedicated to public transportation projects that serve non-urbanized areas of the state.

Public transportation services that are provided with funding support from the program must be open to the general public on a regular and continuing basis. Certain select services are permitted within program funding restrictions as long as they are incidental and do not disrupt the general public service normally provided. However, the cost of these incidental services must be fully allocated and mileage associated with the incidental service must not count towards the useful life of the vehicle.

Under the general service provisions which govern the program:

- An eligible transportation service may include the transportation of residents of the non-urbanized area to or from the nearest urbanized area or areas;
The service is designed for the general public but may be part of a coordinated project designed to maximize the usage of services by transportation disadvantaged persons; and

Joint-funded Section 5307 and Section 5311 transportation projects are encouraged provided the level of 5311 funds allocated for service in the area is fair and equitable. This is usually demonstrated in the local subrecipient’s cost allocation plan.

The services provided under the Section 5311 grants shall focus on the rural areas of South Carolina. This does not preclude service into urbanized areas of the state and/or into neighboring states provided that the passengers reside in South Carolina and service originates from or ends in a rural area in state.

Section 5311 subrecipients may include public transportation service into and out of urbanized areas. However, subrecipients are prohibited from providing exclusive service within an urbanized area. Public transportation providers are prohibited from providing public transportation services outside of their designed geographical service areas unless the purpose is to drop off and/or pick up passengers where the trip originated in the provider’s service area. Whenever possible, subrecipients will coordinate service in areas where there is shared geographic service destinations.

Section 5311 subrecipients are required to comply with all Federal/State requirements imposed by the Federal Transit Administration and SCDOT, either through federal/state statute, regulations, executive orders, directives, published policies or otherwise.

**Joint Service Areas**

Since the goal of Section 5311 is to enhance the overall mobility of people living in non-urbanized areas, Section 5311 projects may include transportation to and from urbanized areas. In a joint urbanize/rural or non-urbanized project, Section 5311 funds must be used to assist the non-urbanized portion only. In circumstances where an operator is providing services in both urbanized and rural areas, SCDOT expects the subrecipient to develop a reasonable basis for allocating operating costs between the Section 5307 (Urbanized Area Formula Funding) and Section 5311 (Rural Area Formula Funding) which is related to the service provided. For example, an operator may choose to allocate 5307 and 5311 funding for a joint urbanized/rural route by identifying the miles or hours traveled in a given geographic area. A subrecipient must develop a cost allocation plan that segregates service activities. The plan must be submitted to OPT for review and approval.

This procedure would also be applied to joint capital projects. Vehicles purchased under either program may be used in any part of a combined urbanized and rural or non-urbanized service area, but capital replacement policies should ensure that program funds are used appropriately.

**Section 5339 – Bus and Bus Facilities Formula Program**

OPT is responsible for administering both the Section 5339 funds apportioned to the Small Urbanized Area (i.e. areas with more 50,000 and less than 200,000) and the non-urbanized and rural areas. Section 5339 program funds are allocated to existing public transit providers and the area they service determines whether they receive small urban funds or rural funds under this program.
**Project Duration**

All project(s) cover a contract period of 12-months from July 1 to June 30, unless a contract extension is requested by the subrecipient, and is approved by SCDOT. Projects are funded on an annual basis with few exceptions. New programs may be considered for mid-year start-up and funding on a case-by-case basis and depending on the availability of federal and/or state funds.

**Eligible Assistance Categories**

**Section 5310**

Funds for the Section 5310 program are available for capital expenses to support the provision of transportation services to meet the special needs of older adults and people with disabilities.

Applicants will not be considered if the primary need is for a vehicle to transport clients whose total transportation costs, including capital, are supported through other governmental funds. The applicant must certify that a requested vehicle will be available for use by other (non-client) persons who are elderly or have disabilities when the vehicle is not needed by the applicant for special needs clients.

At least 55% of program funds must be used on capital projects that are:

- Public transportation projects planned, designed and carried out to meet the special needs of seniors and individuals with disabilities when public transportation is insufficient, inappropriate or unavailable.

The remaining 45% may be used for:

- Public transportation projects that exceed the requirements of the ADA.
- Public transportation projects that improve access to fixed-route service and decrease reliance by individuals with disabilities on complementary paratransit.
- Alternatives to public transportation that assist seniors and individuals with disabilities.

Eligible project costs are defined in FTA Circular 9070.1G (as amended), however, the regulations permit the SCDOT to further define those costs, which include, but are not limited to:

**State Administration**

- Up to 10 percent of the state’s total fiscal year apportionment is used to fund SCDOT’s program administration costs for Section 5310 including administration, planning and technical assistance. Program administration costs are funded at 100 percent Federal share.

**Capital Assistance**

- Purchase of Service (POS): Acquisition of transportation services under a contract, lease, or other arrangement.
• Purchase of Vehicles.

• Mobility management and coordination programs among public transportation providers and other human service agencies providing transportation. Mobility management techniques may enhance transportation access for populations beyond those served by one agency or organization within a community. For example, a non-profit agency could receive Section 5310 funding to share services it provides to its own clientele with other individuals with disabilities or elderly individuals and coordinate usage of vehicles with other non-profits. Mobility management is intended to build coordination among existing public transportation providers and other transportation service providers with the result of expanding the availability of service.

Mobility management activities may include:

- The promotion, enhancement, and facilitation of access to transportation services, including the integration and coordination of services for individuals with disabilities, older adults, and low-income individuals;

- Support for short-term management activities to plan and implement coordinated services;

- The support of state and local coordination policy bodies and councils;

- The operation of transportation brokerages to coordinate providers, funding agencies and customers;

- The provision of coordination services, including employer-oriented transportation management organizations’ and human service organizations’ customer-oriented travel navigator systems and neighborhood travel coordination activities such as coordinating individualized travel training and trip planning activities for customers;

- The development and operation of one-stop transportation traveler call centers to coordinate transportation information on all travel modes and to manage eligibility requirements and arrangements for customers among supporting programs; and

- Operational planning for the acquisition of intelligent transportation technologies to help plan and operate coordinated systems inclusive of Geographic Information Systems (GIS) mapping, global positioning system technology, coordinated vehicle scheduling, dispatching and monitoring technologies, as well as technologies to track costs and billing in a coordinated system and single smart customer payment systems (acquisition of technology is also eligible as a stand-alone capital expense).

SCDOT does not provide state funds for matching assistance under the Section 5310 program. Local participation for capital acquisitions will, at a minimum, be 20% of the costs.
Section 5311
The SCDOT shall make funds available for eligible capital, operating and administrative assistance to projects in non-urbanized areas. Eligible existing JARC activities will be considered on a case-by-case basis during the annual application process. The budget submitted by the subrecipient through the application process shall define the category and amount of funds the subrecipient wishes to receive. Any variation shall require prior approval from SCDOT.

Eligible project costs under the Section 5311 Program shall be determined in accordance with 2 CFR Part 200, Subpart E, FTA Circular 9040.1G (as amended) and guidance issued by SCDOT. Project expenditures shall be categorized as capital, operating, or administrative expenses.

SCDOT assistance under Section 5311 is dependent on the availability of federal and state funds, and local match within a given allocation cycle (July 1 – June 30) and follows the same allowable activities requirements as stated by FTA (FTA 9040.1G [as amended]). SCDOT’s funding priority is to ensure that operational funds are made available for public providers in order to avoid interruption of local service. Capital requests are considered on a case-by-case basis each fiscal year based on analysis and completion of a needs assessment by the Office of Public Transit and is in conjunction with the bus and bus facilities asset management assessment and plan. Recommendation is made by the Office of Public Transit and final approval for allocation of funding rests with the SCDOT Commission.

Section 5339
Only capital expenses are eligible under the Bus and Bus Facilities (Section 5339) Program at a federal participation rate of 80% to include the acquisition, construction and improvement of public transit equipment and facilities.

The federal participation rate increases to 85% for vehicles or facilities related to compliance with ADA and the Clean Air Act.

Eligible capital expenses include:

- Buses, vans or other paratransit vehicles;
- Radios and communications equipment;
- Passenger shelters, bus stop signs, and similar passenger amenities;
- Wheelchair lifts, ramps, restraints and related vehicle modifications;
- Computer hardware/software;
- Vehicle rehabilitation where candidate vehicles meet the extended useful life and rehabilitation cost limits established by the SCDOT;
- Construction or rehabilitation of transit facilities including design, engineering and land acquisition;
• Construction of or improvements to park-and-ride lots where such facilities are utilized for public transportation or ridesharing modes that provide some form of public transportation.

**State Administration, Planning and Technical Assistance**
A maximum of ten percent (10%) of the Section 5311 funds apportioned to the state of South Carolina can be used for state program administration, planning and technical assistance. These are 100% federal funds and are used to support SCDOT personnel directly involved with Section 5311 program management and administration. The balance of the apportionment is available to eligible recipients for activities as defined by federal guidance for the rural transit program.

**Capital Expenses**
Capital expenses include the acquisition, construction, and improvement of public transit equipment and facilities needed for an efficient and coordinated public transportation system. The federal share of eligible non-ADA capital expenses is 80% of the capital cost and 85% participation for a vehicle or facility related purchase to be in compliance with ADA. Eligible capital expenses include, but are not limited to:

• Buses, vans, or other paratransit vehicles;
• Radios and communications equipment;
• Passenger shelters, bus stop signs, and similar passenger amenities;
• Wheelchair lifts, ramps, restraints and related vehicle modifications;
• Operational support such as computer hardware/software;
• Maintenance and/or service vehicles;
• Vehicle rehabilitation where candidate vehicles meet the extended useful life and rehabilitation cost limits established by the SCDOT;
• Preventive maintenance - Defined as all maintenance costs related to vehicles and non-vehicles (if not otherwise classified and expended under Operations). Specifically, it is defined as all the activities, supplies, materials, labor, services, and associated costs required to preserve or extend the functionality and serviceability of the asset in a cost effective manner.
• Construction or rehabilitation of transit facilities including design, engineering and land acquisition;
• Construction of or improvements to park-and-ride lots where such facilities are served by public transportation or ridesharing modes that are a form of public transportation;
• Other durable goods such as spare components or parts (engines, transmissions, etc.) with a unit cost of $300 and a useful life of more than one year;
- Purchase of used equipment with the prior approval of the SCDOT. The project must substantiate that the proposed purchase price represents fair market value and that the equipment is in sound working condition so the project can anticipate a reasonable period of remaining useful life and meet the requirements of the Americans with Disabilities Act;

- Facilities to provide access for bicycles to public transportation facilities or equipment for transporting bicycles on public transportation vehicles;

- Lease of equipment or facilities when leasing is more cost effective than purchase (when lease of equipment or facilities is treated as a capital expense the state will establish criteria for determining cost effectiveness, including non-economic factors such as management efficiency, availability of equipment, and staffing capabilities borrowing on guidelines stipulated in 49 CFR Part 639.

- The capital cost of contracting - Under the capital cost of contracting; only privately owned assets are eligible. The recipient may not capitalize under the contract any capital assets (e.g., vehicle, equipment, or facility) that have ANY remaining federal interest in them, or items purchased with state or local government assistance.

- The following table shows the percent of various types of contracts which are eligible for Federal Transit Administration (FTA) and/or State Mass Transit Funds (SMTF) capital assistance as a capital cost of contracting. SCDOT will not participate in higher contract percentages. The percentages apply no matter whether the service is local, express, shuttle, vanpool, or paratransit:

**PERCENT OF CONTRACT ALLOWED FOR CAPITAL ASSISTANCE**

<table>
<thead>
<tr>
<th>Type of Contract</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Contract (contractor provides maintenance and transit service; grantee provides vehicles)</td>
<td>40 percent</td>
</tr>
<tr>
<td>Service Contract (contractor provides transit service only; grantee provides vehicles and maintenance)</td>
<td>0 percent</td>
</tr>
<tr>
<td>Vehicle Maintenance Contract (contractor provides maintenance; grantee provides vehicles and transit service)</td>
<td>100 percent</td>
</tr>
<tr>
<td>Vehicle Lease Contract (contractor provides vehicles; grantee provides maintenance and transit service)</td>
<td>100 percent</td>
</tr>
<tr>
<td>Maintenance/Lease Contract (contractor provides vehicles and maintenance; grantee provides transit service)</td>
<td>100 percent</td>
</tr>
<tr>
<td>Turnkey Contract (contractor provides vehicles, maintenance, and transit service)</td>
<td>50 percent</td>
</tr>
<tr>
<td>Vehicle/Service Contract (contractor provides vehicles and transit service; grantee provides maintenance)</td>
<td>10 percent</td>
</tr>
</tbody>
</table>
Operating Expenses
Operating expenses are costs directly related to system operation. Eligible operating expenses include, but are not limited to:

- Fuel;
- Oil;
- Drivers salaries and fringe benefits;
- Dispatcher salaries and fringe benefits;
- Maintenance and repairs not otherwise classified or expensed as Capital Preventive Maintenance;
- Vehicle licenses and fees; and
- The cost associated with the use of passenger escorts or driver's aides. However, these costs arise most frequently as a result of a mandate in the provision of a contracted service and should therefore be distributed to the contracting agency whenever feasible.

Net Operating Expenses
Net operating expenses are those expenses remaining after operating revenues are subtracted from eligible operating expenses. At a minimum, operating revenues include farebox revenues. Farebox revenues include fares paid by riders who are later reimbursed by a human service agency. The federal share of net operating expenses is 50 percent (50%).

Operations Deficits
Federal funds may be applied to system operations deficits subject to the availability of funds. Federal participation allows up to 50% of the eligible net operating deficit (gross eligible operating expenses less revenue).

Revenue from Purchase of Service Contracts with Human Service Agencies
Income from transportation service contracts with human service agencies utilizing USDOT funds may not be used to reduce the net project cost or to provide local match under Section 5311 operating assistance.

Administrative Expenses
Administrative expenses are non-operating expenses, which are funded up to 80% federal share subject to the availability of federal funds. Eligible administrative costs may include, but are not limited to:

- Salaries and fringe benefits of the project director, secretary and bookkeeper, or other personnel performing job duties of an administrative nature;
- Office supplies and materials;
- Facilities and equipment rental (not lease-purchase);
• Vehicle insurance;

• Marketing (Cost of paid advertisements, i.e. newspaper ads, radio, and TV spots.) and/or the services of a professional marketing firm. May also include cost of printing/reproduction associated with in-house marketing;

• Promotional Items (cost of items utilized in the promotion or advertising of the transportation system including, but not limited to, pens, pencils, notepads, stickers, and lapel pins.) All items shall include the system’s name and/or logo;

• Professional services such as legal and accounting assistance;

• Interest on short-term loans to finance project administration or operating costs, with prior approval of SCDOT. The loan must derive from a delay in the federal apportionment of Section 5311 funds, or SCDOT’s execution of a contract agreement;

• Indirect cost expenses may be eligible for reimbursement if a cost allocation methodology has been established and approved by the appropriate authority and SCDOT; and

• Administrative costs for promoting and coordinating ridesharing may be eligible if the activity is part of a coordinated public transportation program. The SCDOT will limit the amount of Section 5311 funds an applicant applies toward administrative costs if the SCDOT determines those costs to be excessive in relation to the service being proposed.

**Job Access and Reverse Commute Projects**

Job Access and Reverse Commute activities are eligible for funding under FTA's Urbanized Area Formula Grants (Section 5307) and the Formula Grants for Rural Areas (Section 5311) programs. This category includes all types of projects that were formerly eligible under the Section 5316 Job Access and Reverse Commute (JARC) Program. Examples of eligible projects are listed below. There is no requirement or limit to the amount of Section 5311 funds that can be used for these projects.

A job access and reverse commute project is defined as:

“a transportation project to finance the planning, capital, and operating costs that support the development and maintenance of transportation services designed to transport welfare recipients and eligible low income individuals to and from jobs and activities related to their employment, including transportation projects that facilitate the provision of public transportation services from urbanized areas and rural areas to suburban employment locations.”

Requests by eligible subrecipients for Section 5311 program funds to support JARC activities as administered by SCDOT will be considered on a case-by-case basis. In order for a job access and reverse commute proposal to be considered, projects must document that they meet the following requirements:

1. **Existing Services.** Eligible job access and reverse commute projects must provide for the maintenance of eligible job access and reverse commute services. Recipients may not re-
classify existing public transportation services that have not received funding under the former Section 5316 program as job access and reverse commute services in order to qualify for operating assistance. In order to be eligible as a job access and reverse commute project, a proposed project must qualify as a “maintenance project” as follows:

(a) **Maintenance Projects**: “Maintenance of transportation services” means projects that continue and maintain job access and reverse commute projects and services that received funding under the former Section 5316 program.

(2) **Existing Reverse Commute Projects.** Reverse commute projects are a category of job access and reverse commute projects that provide transportation services from urbanized and rural areas to suburban employment locations. Generally, these services increase the capacity of public transportation services operating in the reverse direction of existing peak services. Reverse commute projects may only qualify as job access and reverse commute projects under Section 5311 if they meet all other requirements, including having been designed to transport welfare recipients and eligible low-income individuals to and from jobs and employment related activities.

---

**Ineligible Costs**

Regulation 2 CFR Part 200, Subpart E defines items that are ineligible for reimbursement under all federal grant programs. Some of the items deemed ineligible are:

- Entertainment expenses;
- Fines and penalties;
- Interest expenses on loans (not previously approved by SCDOT).

Additionally, the following transit-related expenses are ineligible for Section 5311 assistance:

- Depreciation accrued by public agencies on facilities or equipment purchased with federal funds (federal share only);
- Indirect-transit related functions or activities of local public governing bodies performed as a normal or direct aspect of public administration (e.g. expenses of a city council in considering transit matters);
- Contributions to a capital reserve account; and/or
- Expenses associated with the provision of charter services, thus warranting the maintenance of a separate account for charter expenses and income. (Profit derived from charter services may be used as part of the local matching share as long as the proper procedures have been followed).
### Federal/State/Local Participation Ratio

#### Capital*

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<th>Section 5339</th>
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<tr>
<td>Federal</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>Local Match</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
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*Capital cost of contracting guidance – refer to page 31 of this document*

The federal share for vehicle-related equipment and/or facilities required by the Clean Air Act (CAA) or the ADA is 85%. If a vehicle or facility is retrofitted to meet CAA or ADA requirements, federal participation is up to 85% of the retrofit items only.

#### Operating

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<tr>
<td>Local Match</td>
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#### Administration

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#### Planning

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<td>Local Match</td>
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#### Local Funding Requirement

Only eligible expenses based on 2 CFR Part 200, Subpart E – Cost Principles as allowed by OPT administered programs are used in determining project costs. OPT provides federal program funds, and subrecipients must provide local funds as match as identified in the contract. Subrecipients of Section 5311 funds cannot use Federal DOT funding (such as Section 5310 or other FTA funds) as local match because those funds are derived from a DOT program. See FTA Circular 9040.1G (as amended) for sources of local match.

Depending on the type of program, the local share of project costs may consist of State Mass Transit Funds and local funds in addition to non-DOT funds. Examples of local funds include, but may not be limited to:
• Revenue from local appropriations, dedicated tax revenues, and private donations;
• Net income from advertising, concessions, service contract revenues and incidental charter service;
• Amounts received under a service agreement with a State or local social service agency or private social service organization; and
• Transportation Development Credits – formerly Toll Revenue Credits.

Administrative, capital, and technical assistance category match participation is based on gross expenses less any applicable refunds, insurance proceeds, vendor discounts, etc. while operational category match participation is based on net project cost (gross project costs less applicable contra expenses) in calculating federal and local share percentages. Local share participation may consist of State Mass Transit Funds (SMTF) and local funds, depending on the federal program.

Effective July 1, 2013, subrecipients are provided greater flexibility in maximizing the use of their SMTF allocation within the approved budget categories so far as the required local match is satisfied. Example – SMTF may be used to satisfy 100% of the required local match for each budget category (20% for administrative, capital and technical assistance or 50% for operations). For Section 5311 subrecipients, the administrative category limitation of 40% of the total OPT allocation remains effective, except where the subrecipient has documentation of an approved indirect cost rate.

The match percentage varies by program categories with exceptions for certain capital expenses. The match percentages for capital category expenses for vehicle-related Americans with Disabilities Act (ADA) equipment and for facilities that are required to meet the Clean Air Act (CAA) and for a vehicle or facility that is retrofitted to meet ADA and CAA requirements is 85% federal participation and 15% local participation.

### In-Kind Contributions

In-kind is defined as the value of non-cash contributions (such as property or services). In-kind is the monetary value of the non-cash contribution associated with non-FTA and non-OPT resources that would have been expended to acquire property, goods or services applied to accomplish program objectives. The contribution would have to directly benefit the program and be specifically identifiable to the grant program. In-kind contributions must represent costs that would be eligible under the program in compliance with OPT eligible expenses based on the Office of Management and Budget Uniform Guidance 2 CFR Part 200, Subpart E. For fixed assets used as in-kind, the value of the fixed asset must be pre-approved by OPT. The value of in-kind will apply only to the value of the building associated with non-federal funds, and that value may only be used once during that asset’s life.

FTA provides states discretion in implementing program objectives. The goal of OPT is to manage and administer federal awards in a manner that ensures programs are implemented and funding is expended in accordance with federal and state laws, regulations, statutes and industry
standards. Effective July 1, 2015, OPT no longer allows the use of in-kind contributions as local match. Please refer to Chapter 6 for more information on in-kind contributions.

Section 5310
The State requires local match as indicated earlier from non-federal funds for the Section 5310 program. The applicant will certify as to the source and availability of the required match in their annual application for funding to the State.

Section 5311
As provided for under SCDOT regulations, applicants requesting state funds to match Section 5311 federal funds must provide to SCDOT, evidence of the local share during the application process (e.g., letter of financial commitment signed by local governing board or entity committing funds that will be used as local match).

SCDOT shall provide some state funds as match under Section 5311.

The eligible local share must be from non-DOT sources of funding and can include any local or state sources, unrestricted federal funds, and/or revenues from purchase of service contracts (counted as fares). Examples of local share funds include local appropriations, revenue sharing funds, dedicated tax revenues, and net income generated from programs such as advertising or incidental charter services. Funds received by operators who have an active service agreement with a state or local social service agency or a private social service organization may be used as local match. FTA funds (such as Section 5310) may not be used as match because they are derived from a USDOT program.

Income from contracts to provide social service transportation may be used either to reduce the net project cost (treated as revenue) or to provide local match for Section 5311 operating assistance. In either case, the cost of providing the contract service is included in the total project cost.

Donations, volunteers, and in-kind contributions are eligible as part of the “cash” share of the local match. Such non-cash sources of local match are eligible only if the value of each is formally documented and supported. Title 49, Code of Federal Regulations, Part 18.24, provides guidance on this subject.

Contra-Expenses
Contra-expenses are revenue items that directly offset transit expenses and, therefore, are eliminated from the expenses eligible for Section 5311 assistance. Some examples of contra-expenses are farebox revenues, interest income earned on working capital, cash discounts and refunds that directly offset accrued expenses, and insurance claims and reimbursements that directly offset accrued liabilities.

Use of Other Federal Funds
Local match may be derived from other federal programs that are eligible to be expended for transportation, other than funds from USDOT programs. To be eligible for local match for FTA funds, the other federal funds must be used for activities included in the total net project cost of the project. Expenditure of other federal funds for transportation outside of the scope of the
project cannot be applied as a credit for local match in the project. Specific program information for other types of federal funding is available from the FTA Coordinating Council on Access and Mobility (CCAM) website: https://www.transit.dot.gov/ccam

Some Non-DOT federal programs supporting transportation are:

**U.S. Department of Agriculture**
- Food and Nutrition Service

**U.S. Department of Education**
- Office of Elementary and Secondary Education
- Office of Innovation and Improvement
- Office of Special Education and Rehabilitative Services

**U.S. Department of the Interior**
- Bureau of Indian Affairs

**U.S. Department of Health and Human Services**
- Health Resources and Services Administration
- Centers for Medicare and Medicaid Services
- Administration on Aging
- Substance Abuse and Mental Health Services
- Administration for Children and Families

**U.S. Department of Labor**
- Office of Federal Contract Compliance Programs
- Office of Labor-Management Standards
- Office of Workers’ Compensation Programs
- Wage and Hour Division
- Veterans’ Employment and Training Service
- Employment and Training Administration

**U.S. Department of Veterans Affairs**
- Veterans Benefits Administration
- Veterans Health Administration

*National Resource Center Summary Report: Federal Programs Supporting Transportation*

This report from 2010 describes what transportation expenses are broadly eligible for funding under various Federal programs. However, states and localities that administer these funds, especially block grants, may further limit what items are eligible for funding in their own areas.
Chapter 3: Project Selection Criteria and Method of Distributing Funds

Background

All project applications will be evaluated to determine the extent to which the proposed project meets overall program goals and objectives of the state and application criteria set forth by the South Carolina Department of Transportation.

Rural communities that are not a part of the urbanized areas of MPOs are included under the jurisdiction of Councils of Government (COG). The South Carolina Department of Transportation (SCDOT) Commission has designated each of the ten Councils of Governments (COGs) as the lead regional agencies responsible for coordinating transportation planning and, where appropriate, services funded by the multiple Federal Transit Administration (FTA) programs in each of their respective planning areas.

The COGs act as the primary point of contact to SCDOT for the identification of transit elements and the development of such elements into an inclusive coordination/transit plan unique to their region. The COGs also review and rank project applications within their respective regions for funding consideration.

A uniform application and selection process under the 5310 program was developed for use by SCDOT with input from the COGs on program funding. To further this effort, SCDOT and the COGs developed a menu of selection criteria to be used uniformly across the ten regions. At a minimum, the selection criteria will ensure that projects:

- Correlate with regional coordination plan implementation strategies;
- Address gaps in current service provisions for targeted communities;
- Make use of available resources and leverage resources to the extent possible;
- Facilitate coordination across public-private, inter-agency and geographic boundaries; and
- Coordinate with other federal and/or state programs.

The SCDOT Office of Public Transit is responsible for reviewing the coordinated/combined 5310 applications and regional priority lists from each COG, and makes the final recommendation on awards.

Projects approved by the SCDOT are included in the local Transportation Improvement Program (TIP) and become part of SCDOT’s submission to FTA as the Statewide Transportation Improvement Program (STIP).

SCDOT uses an annual application process to determine how funding will be allocated. All agencies wishing to apply for funding complete a funding application and must demonstrate that they are eligible to receive funding.
Limited English Proficiency (LEP) is one of the factors considered during the application process. Subrecipients that are not English proficient are encouraged to apply and make a request known to SCDOT if there is a need for language assistance for the completion of a subgrant. OPT will provide adequate resources to ensure that assistance is provided, regardless of whether the party seeking assistance is private/public non-profit or for profit entity. This process is contained in the SCDOT-LEP plan which is located on the SCDOT OPT webpage.

Projects that are eligible for funding under the Bus and Bus Facilities Program (Section 5339) are selected based on identified needs determined through assessment of physical condition, analyzing vehicle utilization and useful life standards for replacement and in accordance with FTA Circular C5100.1 (as amended) regarding asset management. Note: These funds are only available to public transit agencies.

**New Start or “Pilot” Program for Public Transportation in South Carolina**

It is the desire of South Carolina Department of Transportation (SCDOT), Office of Public Transit (OPT), to establish public transportation service in each of the 46 counties in the state. Therefore, any county without public transportation service could petition OPT, for funding consideration to conduct a public transportation feasibility study. The application may be submitted to OPT by the county or the agency acting on behalf of the county. If the application is accepted and after the Commission approves the funding recommendation, a subrecipient agreement will be executed providing State Mass Transit Funds for the feasibility study.

The allocated amount of funding in the agreement will depend on the extent of the scope of the feasibility study, but no less than a minimum of $80,000.00. The agreement will require the subrecipient to provide local match equal to 20% of the total project cost. Once the study is completed and a report is issued, the county will decide, based on the report, whether public transportation is vital to the economic viability of the county. If the decision is to move forward with public transportation, OPT will require a resolution from the county or a governing body acting on behalf of the county.

The resolution must designate the agency or a governmental body that will be responsible for receiving and managing public transportation funds from OPT. The designee will also be responsible for ensuring compliance with all federal and state requirements as a result of receiving such funds. After the resolution is received, OPT will work with the designated subrecipient to ensure that the designated subrecipient understands the requirements for receiving OPT administered funds. If and when OPT determines that the designated subrecipient has met the minimum requirements, managerial, technical, and financial capacities, and is ready to receive OPT program funds, the designated subrecipient/project is placed on a three-year pilot program for which State funds shall be provided under an agreement.

During the pilot phase, OPT shall conduct at least one on-site technical assistance visit. At the completion of the third year of the pilot, a review shall be conducted to determine if the subrecipient has met the managerial, technical, and financial capacities needed to receive OPT administered federal funding. A report shall be issued informing the recipient if they will or will not receive federal and state funding. A positive report will result in removal of the “pilot”
designation and the subrecipient will be responsible for meeting all federal and state requirements for receiving and expending OPT administered transportation funding.

**Prerequisites for Funding**

SCDOT has developed a uniform application and selection process under the 5310 and 5310 programs to be used in making funding decisions. To further this effort, SCDOT and the COGs consider a menu of selection criteria to be used uniformly across the ten regions. At a minimum, the selection criteria will ensure that projects address:

- Correlation of project to the regional coordination plan implementation strategies;
- Gaps in current service provisions for targeted communities;
- Use of available resources and leverage resources to the extent possible;
- Facilitation of coordination across public-private, inter-agency and geographic boundaries; and
- Coordination with other Federal and/or state funding programs whenever possible.

Section 5311 applicants are required to notify either their MPO (if in a MPO study area) or their COG of their intention to apply for funds. They should request a letter of support from either the MPO or COG to forward along with their formal application to SCDOT for funding. Proposed projects within an MPO study area must be included in that MPO’s local TIP. Once the project is approved by the SCDOT, it will be included in the next revision of the STIP.

Section 5311 applicants for New Starts must have completed a feasibility study which includes identification of estimated costs and funding options and must be approved by the Office of Public Transit establishing the need for public transportation in the area. Areas considering public transit may apply for funding for a feasibility study during the annual Announcement and Application cycle.

New Starts projects are generally funded with State Mass Transit Funds as a pilot project for three years. At the conclusion of that period, the transition to Section 5311 funding is primarily for those agencies/subrecipients that have already been vetted by SCDOT to continue to receive funds for capital, administrative and operating expenses unless the findings of an on-site review or other circumstances make them no longer eligible. Please see New Start Section for more details.

Continuing Section 5311 subrecipients are exempt from submitting any study request except in the event of proposed service expansion. Continuing Section 5311 subrecipients complete a grant application and must demonstrate that they are eligible to continue to receive funding. However, because Section 5311 funds are used primarily for operations and the funds are critical to maintaining continuous services, SCDOT generally considers Section 5311 subrecipients eligible for funding from year to year, unless the annual application, SCDOT on-site review, or other circumstances demonstrate that an agency is no longer eligible. These circumstances include, but are not limited to, an agency’s transition from Section 5311 to Section 5307 funds,
elimination of general public service, or determination by SCDOT that an agency no longer meets state or federal requirements for receiving grant funds.

**Funding Criteria for Section 5310**

The Section 5310 funds are available for reimbursement of expenditures incurred in association with approved capital expenses. The project application to the State must contain the necessary project supporting documentation as outlined in the annual *State Announcement, Application Package and Instructions for FTA Section 5310 Program*.

SCDOT will administer a statewide call for applications under the Section 5310 program for all areas. Applicants shall submit an online application in the Grants Management System (GMS) to SCDOT. SCDOT will review to ensure that all required documents are completed and attached. All applications received in GMS shall be packaged according to each prospective COG region. Each application package will be sent to the COG to be reviewed, scored, rated and ranked. COGs will then screen and prioritize projects under this program, within the appropriate funding and programmatic guidelines, and certify consistency with the locally developed coordination plan and priorities. Using the Priority Form provided in the COGs application packet, the COG shall provide SCDOT with a final list and scores of recommended projects for approval. SCDOT OPT will make funding recommendations to the SCDOT Commission for final approval. SCDOT will contract with local subrecipients upon approval of the funding allocation by the Commission.

SCDOT will ensure that the distribution of funds is fair and must verify project eligibility prior to submitting a formal grant application to FTA. It is the responsibility of SCDOT to maintain appropriate oversight of all projects.

The following documentation is required:

- Applicant's request for vehicle purchase, purchase of services or mobility management;
- Information about the proposed project;
- County government(s) designation of the applicant agency as an entity to provide transportation for the elderly and disabled persons within a respective service area, if any;
- Certification of source and availability of the agency's, required local match; and
- Certification that all statutory and program requirements have been met.

**Project Description**

The project description should outline the public transportation program providing specific information relative to the performance of the project. The project description serves as the road map or guide for the project. A project description shall include the following:

- Description of agency mission, objectives and impact within the geographic area(s) to be served;
• Scope of Service;
• Description of routes, service and service frequency, ridership;
• An explanation of how the proposed project compares to applicant's previous year's project.

**Project Budget**
A detailed project budget must be included with the application. Budget information should include but may not be limited to:

• Detailed project line items (per Category)
• Federal and Local Match Funding Totals
• Detailed budget summary

**Required Certifications**
All applicants must include the following certification and assurances in order to receive federal funds for the purpose of providing rural public transportation:

• Roster of applicant's Board of Directors;
• A description of the extent of private sector participation in the application development and in the proposed transportation services;
• Evidence of the proposed project inclusion in the local Transportation Improvement Program (TIP), if applicable;
• A description of efforts to coordinate with human or social service agencies in the service area;
• An attorney affirmation;
• Signed assurances including:
  • Affirmation of Applicant: Acceptance of FFY Certifications and Assurances
  • Affirmation of Applicant’s Attorney in Acceptance of Certifications and Assurances
  • Resolution by Board of Directors to Apply for Funding
  • Affirmation of Applicant’s Attorney to Apply for Funding
  • Local Match Identification Form for FTA Program Funding
  • Certification for Civil Rights Complaint Status
• Title VI Program Report (July 1, – June 30)

• DBE Good Faith Efforts Certification

• Certification on Restrictions on Lobbying

• Certification Regarding Debarment, Suspension, and other Responsibility Matters – Primary Covered Transactions

• Certification Regarding Debarment, Suspension, and other Responsibility Matters – Lower Tier Covered Transactions

• Public Hearing Notification (Newspaper Advertisement)

  • A description of public involvement in preparing the local application, including a copy of the opportunity for a public hearing notice, affidavit of publication, hearing minutes (if a public hearing is requested), and comments received.

**Project Selection and Evaluation Criteria**

All applications under the Enhanced Mobility of Seniors Program (Section 5310) are rated and prioritized by the COGs and, final review by a panel of OPT staff and SCDOT Planning partners. OPT will ensure that the process is consistent to ensure fairness.

Specific criteria will be published in the annual application for funding.

**Funding Criteria for Section 5311**

The Section 5311 funds are available for reimbursement of expenditures incurred in providing public transportation services in non-urbanized areas, applicants must meet the following conditions:

• Meet SCDOT eligibility criteria as stated in Chapter 2 of this Plan;

• Submit a completed application to the SCDOT; and

• Not be prohibited from receiving federal and/or state funds.

The project application to the SCDOT must contain the necessary project supporting documentation as outlined in the *SCDOT Annual Application for Funding*. At a minimum, applications for Section 5311 program funding shall consist of three parts:

• Project Description

• Project Budget

• Required Certifications

The project description provides general descriptive information about the applicant and outlines what the public transportation program will accomplish and how it will approach the management of resources and operations. The project budget identifies an anticipated budget
based on line items for administrative, operating, technical assistance and/or capital items. The required certifications are necessary to receive federal funds.

The application process below should be adhered to while developing an application for public transportation assistance.

**Project Description**
The project description serves as the basis for the application as well as an annual program operations report. The project description should outline the public transportation program operations and finances clearly and its relationship to the local and state public transportation goals.

A project description shall include the following:

- Description of agency mission, objectives and impact within the geographic area(s) to be served;
- Scope of Service;
- Description of routes, service and service frequency, ridership, farebox recovery and route mileage;
- Anticipated contracts for special services;
- Five-year projection of administrative, operational, capital and technical assistance/planning needs;
- An explanation of how the proposed project compares to applicant's previous year's project;
- The impact of the proposed project (i.e. number of persons benefiting, expected achievements) and
- Description of public involvement.

**Project Budget**
A detailed project budget must be included with the application. Budget information should include but not limited to:

- Itemization of personnel, salaries, and fringes;
- Itemized budget expenditures for capital, operating and administrative needs; and
- Proposed revenues and matching funds arrangements.

**Required Certifications**
All applicants must include the following certifications and assurances in order to receive federal funds for the purpose of providing rural public transportation:
• Resolution of applicant's Board of Directors;

• Resolution of a local government;

• Roster of applicant's Board of Directors;

• A description of the extent of private sector participation in the application development and in the proposed transportation services;

• Evidence of the proposed project inclusion in the local Transportation Improvement Program (TIP), if applicable;

• A description of efforts to coordinate with human or social service agencies in the service area;

• An attorney’s affirmation;

• Signed assurances including:
  • Affirmation of Applicant: Acceptance of FFY Certifications and Assurances
  • Affirmation of Applicant’s Attorney in Acceptance of Certifications and Assurances
  • Resolution by Board of Directors to Apply for Funding
  • Affirmation of Applicant’s Attorney to Apply for Funding
  • Local Match Identification for FTA Program Funding
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  • DBE Good Faith Efforts Certification
  • Certification on Restrictions on Lobbying
  • Certification Regarding Debarment, Suspension, and other Responsibility Matters – Primary Covered Transactions
  • Certification Regarding Debarment, Suspension, and other Responsibility Matters – Lower Tier Covered Transactions
  • Special Section 5333(b) Warranty
  • Public Hearing Notification Sample
  • Public Hearing Minutes
• The disposition of all requirements related to school bus and charter provisions, including assurance that the applicant will not engage in school bus operations exclusively for the transportation of students and school personnel in competition with private school bus operators and will not provide charter without undergoing the appropriate procedures in accordance with FTA regulations;

• A description of public involvement in preparing the local application, including a copy of the opportunity for a public hearing notice, affidavit of publication, hearing minutes (if a public hearing is requested), and comments received;

• An updated vehicle/equipment inventory printout or listing of vehicles and other equipment purchased with federal and/or state funds costing $5,000 or more;

• An updated transit asset management facilities inventory form, if applicable.

**Project Selection and Evaluation Criteria**

All applications under the Rural Transit Program (Section 5311) are evaluated and funded based on the current commission approved sub-allocation formula. OPT will ensure that the process is consistent to ensure fairness.

Specific criteria will be published in the annual application for funding.

Funds made available under Section 5311 should augment rather than replace existing sources of transportation funds. An applicant shall not be penalized if they fail to maintain previous levels of financial support for the project due to:

• A federal or state decision that reduces, or has the effect of reducing, available levels of financial support; or

• Local circumstances, as determined by SCDOT/Office of Public Transit, beyond the control of the applicant.

**Funding Criteria for Section 5339**

Projects that are eligible for funding under Bus and Bus Facilities Program (Section 5339) are selected based on identified need determined through assessment of physical condition, analyzing vehicle utilization and useful life standards for vehicle replacement and in accordance with FTA Circular C5100.1 (as amended) regarding asset management. Note: These funds are only available to subrecipients of 5311 and operators of small urban transit systems.

**Method of Distributing Funds**

SCDOT shall make funds available for capital, operating and administrative assistance to projects in non-urbanized areas. The budget submitted by the subrecipient through the application process shall define the category and amount of funds the subrecipient wishes to receive. Any variation shall require prior approval from SCDOT.
Approved subrecipient agreements will have funds disbursed on a reimbursement basis. Invoices are submitted to SCDOT on a monthly basis at a minimum (but not less than quarterly) for Section 5311 approved expenses. Capital expenses are reimbursed to the subrecipient at approved federal and/or state share once the capital has been received by the subrecipient and inspected by OPT’s asset manager.

Eligible project costs under the Section 5311 Program shall be based on the Code of Federal Regulations (CFR), also referred to as Uniform Guidance, Subpart E-Cost Principles; Section 200.400-200.475, (as amended) and guidance issued by SCDOT. Project expenditures shall be categorized as capital, operating, planning/technical assistance or administrative expenses.

**State Administration and Technical Assistance**

Each program allows a percentage of the apportioned funds to be used by the state to administer the program for costs including administration, planning and technical assistance. The amounts allowed for state administration of each program are:

- **Section 5310** - up to 10%
- **Section 5311** - up to 10%

FTA allows all or a portion of the administrative funds for 5310 and 5311 to be combined to support activities (such as coordinated planning) that are common to both programs. SCDOT may combine program administration funds into one administrative account, so long as the use is associated with administering Section 5310 and 5311 programs.

**Project Funds**

All projects considered for funding shall be included in a state program of projects, submitted annually to FTA, and provide a “fair and equitable” distribution of funds within the state, including Indian reservations. Maximum feasible coordination with transportation services assisted by other federal sources must be evidenced through the annual evaluation process.

**Funding Guidelines**

Funding guidelines for each program are based on regional demographics, and developed based on a formula that mirrors FTA’s allocation formula to states. The demographics are based on the most recently approved decennial census data, and the guidelines will be used on an annual basis as federal apportionments are published.

**Section 5310**

Section 5310 funding guidelines are based on an equal weighted average of the elderly/disabled populations within a region as percentages of the state’s overall elderly/disabled population.

**Section 5311**

FTA requires each state to develop and implement a fair and equitable distribution system for allocating federal Section 5311 funds. The SCDOT Commission approved the current allocation formula for Section 5311 funds in February 2010. This formula replaced the previous discretionary method of distribution.
The Section 5311 allocation formula takes into consideration the total available funds to be allocated. The approved formula considers each agency’s reported data in the previous year’s Operating Statistics (OPSTATS), rural population (latest certified census), and prior year’s federal allocation to ensure that the distribution is fair and equitable.

Through application of this approved formula, an agency is allocated a maximum amount of federal and state matching funds that they are able to apply for in a fiscal year. To ensure that the formula is kept current, the methodology is reviewed and tweaked if necessary for consistency during each funding year (cycle). This adjustment, if necessary, is made following the SCDOT Commission approval of the previous year’s Annual Transit Trends Data Report, which contains the data that is applied to the funding formula. The Section 5311 suballocation information is published in conjunction with the statewide announcement of funds.

Although the current funding formula does not explicitly consider Title VI requirements in allocating funds, OPT recognizes the need to address the Title VI regulation as it relates to funding. This is accomplished by utilizing Rural Transit Assistance Program (RTAP) funds to address needed Title VI regulations such as outreach, training, public participation, and developing Limited English Proficiency (LEP) complaint and investigation policies.

**Deobligated Funds**

Funds that are deobligated from an approved program of projects remain available to SCDOT and subrecipients (upon approval of the SCDOT Commission) for reobligation during the period that the funds were originally available to SCDOT.

**Reallocation of Section 5310 Funds**

If deobligated funds from a program are available at the close of the project year, SCDOT will first consider previously identified “alternate” projects under the Section 5310 program as approved by the SCDOT Commission during initial allocation before addressing special requests from subrecipients. Requests must be in writing to be recommended for funding and subsequent approval by SCDOT Commission. Allocation of deobligated project funds is limited to the availability of funds.

Any funding remaining at the end of an application cycle will be re-allocated to alternate projects. Any Section 5310 funding remaining at the end of a contract cycle without an approved contract extension will be rolled over as part of the statewide total for Section 5310 in the following year and made available for allocation.

**Reallocation of Section 5311 Funds**

At the end of the fiscal year, (end of contract period) unless a contract is extended, a close-out procedure is followed that returns de-obligated Section 5311 funding to an active 5311 grant. These funds may then be reallocated for other eligible 5311 projects provided grant funds are not due to lapse before a new contract period can be completed.
Transfer of Federal Funds

Transfer of Section 5307 (Small Urbanized) Funds
SCDOT recognizes that, in the past, several small-urbanized areas (under 200,000 in population) have not elected to become actively involved in FTA-assisted projects. Therefore, in order to prevent the lapse of their respective Section 5307 apportionments and to avail those funds statewide, the SCDOT/Office of Public Transit may elect to initiate the transfer of those funds which will include consultation with the affected small urbanized area. In the event they opt not to use their funds for eligible projects within the urbanized areas, and in the period for which those federal funds are made available, the SCDOT shall then have the option of transferring and obligating such funds for eligible projects in other urbanized or non-urbanized areas in the State in accordance with FTA regulations and procedures.

SCDOT is required to notify the FTA Regional Administrator of each transfer of Section 5307 funds. See the Notification of Transfer procedure outlined later in this chapter.

Transfer of 5307 Small Urban to 5311 and/or 5307 Large Urban
If Section 5307 funds are transferred to supplement SCDOT’s Section 5311 apportionment, the funds are treated as additional Section 5311 funding and all the requirements of Section 5311 apply. Two conditions follow the Section 5307 funds when they are transferred to Section 5311:

- The period of availability of the transferred funds remains that of the Section 5307 apportionment.
- SCDOT may use any funds transferred from its Section 5307 program for planning activities, at the Federal share for capital projects.

The transfer of Section 5307 funds to Section 5311 does not increase the amount of Section 5311 funds that SCDOT may use for administration, planning, and technical assistance with no local share. Nor does a transfer increase the amount of set-aside necessary for an intercity bus program where there is no partial or full certification by the governor of intercity bus needs being adequately met.

Transfer of 5310 to 5311
SCDOT does not transfer Section 5310 funds outside of the 5310 program.

Notification of Transfers
SCDOT must notify the FTA regional administrator of its intent to have funds transferred so that FTA can initiate the transfer. The notification must include:

- A statement by the SCDOT that responsible local officials and operators have been consulted prior to the transfer;
- The program, project description, and amount of funds to be transferred;
- Fiscal year in which they were apportioned;
Transfer of Federal Highway Administration (FHWA) Flexible Funds

Flexible funds are certain legislatively specified funds that may be used either for transit or highway purposes. Local planning organizations (MPO or COG) or SCDOT may elect to transfer Surface Transportation Program (STP) funds, Congestion Mitigation and Air Quality (CMAQ) funds, and certain other flexible funds, from FHWA to FTA to use for transit projects. SCDOT, in cooperation with affected local officials, selects projects in rural areas and urban areas (excluding projects on the National Highway System (NHS) and projects funded with Bridge and Interstate Maintenance Funds).

When FHWA program funds are transferred to FTA-sponsored programs, they are transferred to one of the following three programs:

- Urbanized Area Formula Program (Section 5307),
- Nonurbanized Area Formula Program (Section 5311 program);
- Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310 program).

If CMAQ or STP flexible funds are transferred to Section 5307, 5310, or 5311, those funds are treated as additional program funding and all the requirements of the receiving program applies. Flex transfers to Section 5311 do not increase the amount the State must spend for intercity bus service. The period of availability of flexible funds transferred to Section 5311 is three years.

In urbanized areas over 200,000 population, the decision on the transfer of flexible funds is made by the Metropolitan Planning Organization (MPO). In areas under 200,000 population the decision is made by the MPO in cooperation with SCDOT. In rural areas, the transfer decision is made by SCDOT in partnership with the Council of Governments (COG) and local officials. The decision to transfer funds must come from the transportation planning process and the priorities established for an area as part of the planning process.

Opportunities for transfer of FHWA funds to FTA-sponsored programs will be considered by SCDOT on a case-by-case basis. Opportunities can be identified at the local level or through the SCDOT. Considerations for transfer take place by the SCDOT Division of Engineering, SCDOT Planning Office and the SCDOT Office of Public Transit. Recommendations are made to the SCDOT Commission for final consideration. For transfer of flexible CMAQ or STP funds to state administered Section 5307, 5310 or 5311 programs, SCDOT must notify both the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) and request that FHWA transfer the funds. Request for transfer of flexible funds will include the following:

- A statement by the SCDOT that responsible local officials and operators have been consulted prior to the transfer;
- The program and amount of funds to be transferred;

SCDOT, in cooperation with affected local officials, selects projects in rural areas and urban areas (excluding projects on the National Highway System (NHS) and projects funded with Bridge and Interstate Maintenance Funds).
Interagency transfer of funds may be administered by FHWA or may be transferred to FTA for transit projects eligible for CMAQ or STP funds under 23 USC 149(b) or 23 USC 133(b) respectively.

**Congestion Mitigation and Air Quality Improvement Program (CMAQ)**

The primary purpose of the CMAQ program is to improve air quality in areas designated by the U.S. Environmental Protection Agency (EPA) as “nonattainment” areas. Because CMAQ funds are intended to improve air quality, funds must be spent in nonattainment or maintenance areas. A nonattainment area is an area formally designated by EPA as not meeting the National Ambient Air Quality Standards (NAAQS). A maintenance area is an area that was nonattainment but has subsequently attained the NAAQS and has been officially designated as reaching attainment by EPA.

**Eligible Transit Activities**

CMAQ funds may be used for transit capital projects and operating expenses for new service. Funds may only be used in nonattainment and maintenance areas and projects must demonstrate an air quality benefit. Operating assistance is limited to new or expanded transportation service and is limited to three (3) years.

**Surface Transportation Program (STP)**

The primary purpose of STP funds is for construction, reconstruction, rehabilitation, resurfacing, restoration, and operational improvements for highways and bridges including construction or reconstruction necessary to accommodate other transportation modes.

**Eligible Transit Activities**

Capital costs of transit projects that are eligible under 49 USC 53, including vehicles and facilities, publicly or privately owned, that are used to provide intercity bus service; carpool projects and fringe and corridor parking facilities; transit safety infrastructure improvements and programs; transit research, development and technology transfer; surface transportation planning programs; or public transportation management systems under 23 USC 303.

**Intercity Bus Program**

Pursuant to Subsection 5311(f)(2) of 49 United States Code, FTA requires that each State use 15% of its annual Section 5311 formula apportionment to support intercity bus (ICB) service unless the Governor certifies that the intercity bus needs of the state are adequately met. Given ongoing changes in the intercity bus industry, with some elimination of routes and rural stops, FTA is encouraging states to consult with intercity bus operators and communities affected by loss of service when evaluating intercity bus needs of the state. Reauthorization modifies Section 5311(f) by requiring further consultation with “affected intercity bus service providers” before the Governor’s
certification. South Carolina has been able to confirm that intercity bus needs of the state have been met through the required consultation and assessment processes until the last several years.

In 2008, the South Carolina Department of Transportation prepared the “Statewide Multimodal Transportation Plan,” which contained, as part of its scope, an assessment of intercity bus service in the state as required by the Federal Transit Administration. This element of the study was inconclusive. Therefore, SCDOT re-examined its position on programming funds under the Section 5311 program through a separate and independent assessment/study as required by FTA. This plan, the Statewide Intercity and Regional Bus Network Plan was completed in May 2012.

The purpose of the Statewide Intercity and Regional Bus Network Plan was to determine how SCDOT, local and regional public transit providers, and private carriers could work together to develop a financially sustainable network of intercity and regional bus service in South Carolina. With a multitude of local and regional transit services, both public and private, the coordination of efforts in designing a statewide bus network is essential to achieve the best use of limited transit resources. This study effort identified a strategic intercity and regional bus network, the capital and operating needs and costs, and a service implementation plan that successfully outlined a statewide intercity bus network for the state.

Further, this study substantiates that, although the state is reasonably well served by the intercity bus industry, there are additional intercity bus-related needs that preclude SCDOT from submitting the 5311(f) Governor’s Certification that attests that intercity bus needs are met. There are significant capital infrastructure needs that should be addressed to maintain an efficient and effective intercity bus network which will require that SCDOT support intercity bus service.

Vehicles for the operation of both fixed route and feeder intercity bus services will continue to be needed. Vehicle-related equipment such as wheelchair lifts, security cameras, and intelligent transportation systems (ITS) for coordinated information and scheduling are examples of equipment that could enhance the passenger’s experience and perception of service reliability. The study also recommended that the SCDOT consider investing in an intercity bus station directional sign program. Such “trailblazer” programs have proven successful in other states around the country.

As a result, in fiscal year 2013, 2014, and 2015, SCDOT implemented fully the recommendations of the study and set aside the full 15% of the apportionment.

As required by FTA, SCDOT will update the plan at least every four years in order to document activity, assess intercity bus needs and remain in compliance with federal requirements associated with the Section 5311(f), Intercity Bus Program.
Chapter 4: Annual Program Development and Project Approval

SCDOT has simplified the application process. Application packages are now available in electronic format via the Grants Management System (https://sp.scdot.org/OPT/SitePages/GMSHome.aspx). Since most subrecipients have access to the internet, the distribution of application packages has greatly improved.

SCDOT utilizes all of its program funds under the appropriate programs. However, during the project development stage, SCDOT staff shall identify all other program funds that have not been obligated. If these funds are substantial, a transfer spending plan shall be submitted to FTA’s regional office for approval after consulting with the subrecipients to determine whether or not they are unable to use their funds allocated by FTA. If approved, SCDOT shall implement the transfer, identify eligible subrecipients, update the STIP and adjust the State’s FTA grant Program of Projects (POP).

**Background**

SCDOT makes an annual program announcement for all programs in the fall, or later depending on the time table for the publication of the apportionment in the federal register. The program period of performance is based on the State Fiscal Year (July 1 – June 30). The announcements provide information on available funds and solicit applications from eligible subrecipients. The review of all applications will begin after receipt, usually in early January after the application closing date. Once application review is complete and subrecipient allocations are made based on the FTA announced availability of program funds to the State for the given fiscal year, the Office of Public Transit will make recommendations to the SCDOT Commission for review and approval.

After SCDOT Commission approval, the STIP page is updated and released for public comment. Once the public comment period is over, the OPT initiates a grant application with the FTA which includes the development of a Program of Projects (POP).

The Program of Projects identifies each local subrecipient approved to receive funds for that year, inclusive of a brief description, funding level (federal and non-federal), and the amount of funds identified for state administrative expenses and intercity bus as applicable.

SCDOT application to FTA can include two (2) categories in the program of projects:

- Projects in **Category A** include those applicants certified as having met all the statutory and administrative requirements necessary for project approval.

- Projects in **Category B** include those applicants, which SCDOT intends to fund during that fiscal year, but have not yet met all the statutory and administrative requirements of the respective programs.

SCDOT routinely strives to allocate all available funds under Category A.
Notice of the Availability of Funds

The statewide announcements for Sections 5310, 5311, and 5339 are widely disseminated through various methods, to include:

- Annual memo sent to existing public transportation providers;
- County government administrators;
- South Carolina regional councils of government (COGs) for region wide distribution to interested agencies including private sector transportation providers and Native American Tribes;
- Metropolitan planning organizations (MPOs);
- Other local planning agencies;
- South Carolina Transportation Association of South Carolina (TASC);
- Other interested agencies and operators of public transportation service; and
- Internet via the SCDOT Office of Public Transit website.

Public Hearing Requirements

A public hearing or public participation is required prior to a subrecipient submitting an application to the OPT regardless of the program. There is a second level of public comment when the project has been identified and has received SCDOT Commission approval. This comment period allows the public to make statements regarding the proposed project.

The public hearing requirement in 49 U.S.C. 5323 as amended for capital projects. The law connects more clearly the public involvement and hearing requirements for capital projects with the environmental review required by the National Environmental Policy Act (NEPA) and its implementing regulations. It also broadens the requirement to apply to all capital projects (as defined in 49 U.S.C. 5302).

Under 49 U.S.C. Section 5323 as amended, any application for a project that will “substantially affect a community or the public transportation service of a community” shall include a certification to the effect that the applicant has:

- Provided an adequate opportunity for public review and comment on the project;
- Provided notice and held a public hearing on the project if the project affects significant economic, social or environmental interests;
- Considered the economic, social, and environmental effects of the project; and
- Found that the project is consistent with official plans for developing the community.
Title 49 U.S.C. 5323 as amended, further states, “Notice of hearings under this subsection shall include a concise description of the proposed project; and shall be published in a newspaper of general circulation in the geographic area the project will serve.”

The applicant must provide an adequate opportunity for public review and comment on a capital project, and, after providing notice, must hold a public hearing on the project if the project affects significant economic, social, or environmental interests. These requirements are satisfied through compliance with the NEPA requirements for a public scoping process, public review and comment on NEPA documents, and a public hearing on every draft environmental impact statement (EIS).

A public hearing on environmental assessments (EAs) that have a high probability of being elevated to an EIS is also required, ensuring that the applicant has complied with the public hearing requirement and inclusion in the environmental record for the project.

**Section 5323 as amended must be read in concert with Section 5324 as amended,** which states that FTA must review the public comments and hearing transcript to ascertain that an adequate opportunity to present views was given to all parties having a significant economic, social, or environmental interest in the project, and that FTA must make a written finding to this effect.

**Public Notification**

SCDOT publicly advertise availability of funds to potential applicants by notifying potential applicants by letter, through the Office of Public Transit web site and through a publication having general circulation across the state, and through a press release.

At the conclusion of the application cycle SCDOT notifies the South Carolina Department of Administration, Executive Budget Office, as required by the State’s Project Notification and Review System (Intergovernmental Review), of the list of projects that has been selected for funding.

**Application Review and Approval Schedule**

The State's annual announcements shall provide a schedule of dates for application submittals and review by SCDOT staff, recording of the approval date by SCDOT Commission, and the State's submission of the respective program of projects to FTA for review and approval.

The general application review and approval schedule for allocation of available federal funds is as follows:

- **January**  Receipt of all proposals
- **February**  Proposals reviewed by SCDOT  
  Review/panel meetings held if required
- **March**  Recommendations submitted to SCDOT Deputy Secretary and Commission for review  
  Request for 15-day public comment published
April  Presentation of recommendations to SCDOT Commission for approval

May  Submission of State application to FTA for review and approval

June  Subrecipient Agreement Preparation and Release

Note: This schedule is general in nature and may be modified based on the availability of federal and/or state funds.

**FTA Approval**

Upon approval by FTA of the State's program of projects, and after FTA and the SCDOT have entered into an agreement, the SCDOT, Office of Public Transit will transmit, via the Grants Management System the approved subgrant agreement(s) for execution by the subrecipient. Each agreement shall contain:

- The approved project budget;
- The detailed scope of services to be performed in accordance with the budget; and
- Required federal and state contract provisions and regulations - including the Master Agreement which is incorporated by reference.

The subrecipient should review and execute the agreements **within 3 days**.

**Certifications and Assurances**

OPT must annually assure FTA that the State and all subrecipients meet all requirements, necessary to be able to receive federal FTA funds.

Each fiscal year (on or about October 1), FTA publishes the required certifications and assurances in the *Federal Register* and updates the certifications and assurances in the TrAMS electronic grant-making system. This notice indicates which certifications and assurances apply to all grantees and subrecipients.

Subrecipients submit the appropriate original signature certifications and assurances each fiscal year for all programs for which they will be funded. Subrecipients should use the most recent version of certifications provided by SCDOT during the annual application process. No agreements will be authorized until required signed certifications and assurances have been pinned and uploaded in the Grants Management System.

**Period of Performance**

The period of performance for agreements will be based on the State’s Fiscal Year of July 1 – June 30. In some instances, and depending on funding guidelines, a period of performance may initially extend beyond one state fiscal year. Period of performance is stated within the executed grant agreement between SCDOT and the subrecipient. Grant agreement extension requests must be submitted in writing (with justification) to the Office of Public Transit for consideration.
and will be considered on a case-by-case basis. *(For specific guidelines, see the subheading Contract Changes in Chapter 6).*

SCDOT may establish different periods of performance for projects that are programmed for funding but have not yet met all the statutory or administrative requirements of the programs (Category B) pursuant to applicable FTA Circulars.

Federally recognized Indian tribal governments approved for Section 5311 funding may request that the period of performance for administrative and operating grants coincide with the federal fiscal year (October 1 - September 30).

**Capital Projects**

The performance period for all capital projects shall commence on July 1 of the award year (based on the state fiscal year). The period of performance is generally for a period of 12 months for completion of the respective capital project(s). Extension of capital project performance periods will be considered on a case-by-case basis. Subrecipients must submit a request for extension to the Office of Public Transit in writing. The request must indicate the project agreement number; capital project description; justification for request for extension of performance period; and anticipated date of completion. *(Also see Agreement Changes subheading in Chapter 6.)*
Chapter 5: Locally Developed, Coordinated Public Transit and Human Services Transportation Plan

State Program Coordination

Coordination is the efficient and effective use of transportation resources for getting people to important destinations such as jobs and medical appointments. Coordination means working with transit providers, human service agencies, private institutions, businesses, volunteers and political leaders to broaden transportation options by way of modes, routes, and providers. Coordination ensures the connectivity between options.

On September 25, 2009, the Governor signed Executive Order 2009-13 establishing the South Carolina Interagency Transportation Coordination Council (SCITCC). The Council was implemented in recognition of the complex governing structures that have arisen over time to meet the needs of various populations for transportation services, which has resulted in a lack of consistency in approaches, an overlap of services in some places, and unconnected services in others.

The Council’s responsibility is to provide guidance for the planning and development of mechanisms for increasing coordination of funding streams and resources at both the state and local levels and enhance coordination between resource agencies in order to maximize the efficient use of public transportation.

The Executive Order specifically identifies representative agencies and appointments made by the directors of the representative agencies.

Human Services Transportation Coordination

Background

Federally Law requires the establishment of a “locally developed, coordinated public transit-human services transportation plan” for all Federal Transit Administration (FTA) programs for underserved populations, e.g. for seniors and individuals with disabilities. Projects serving these populations must be derived from a locally coordinated plan. The provisions ensure that communities coordinate transportation resources provided through multiple Federal programs.

In urbanized areas with populations less than 200,000 and in rural areas, the State is the designated recipient for receipt and administration of funding under the Section 5310 program. For these areas, the Governor has designated the South Carolina Department of Transportation (SCDOT) to be responsible for administering this program, and has officially notified FTA’s Region IV office in writing of this designation. In urbanized areas over 200,000 in population, the Governor, in conjunction with responsible local officials, designates the recipient. Urbanized areas over 200,000 in population include Greenville, Charleston, Columbia, Aiken (which includes portions of Augusta, Georgia), Myrtle Beach (which includes portions of North Carolina), and Rock Hill (which includes portions of Charlotte). These areas have already received or are in the process of obtaining the appropriate designation from the Governor.
SCDOT has elected to develop regional coordination plans that form the foundation for a statewide coordination plan. Such an approach allows for the direct involvement of local decision-makers, providers and advocates in the development of human services transportation coordination policies, strategies and identification of projects affecting their communities. It also affords them a substantial ownership stake in the overall planning process and facilitates direct involvement in the long-term coordination and provision of transportation services in their region.

Most recently, the SCITCC participated in and provided technical guidance for a Human Services Infrastructure Review to determine whether or not human service transportation delivery resources are being leveraged and utilized to their fullest and most efficient capacity, improving overall transportation within the state. Building on the successful momentum of the Statewide Multimodal Transportation Plan, this study reviewed the existing S.C. human services transportation infrastructure, with specific attention on the state’s non-emergency medical transportation (NEMT) infrastructure. A primary goal of the study was to receive input from state departments, offices and public and private agencies in South Carolina that provide transportation or have clients dependent upon public transportation, focusing primarily on health and job-related transportation services and needs.

The final study provided alternatives for South Carolina state agencies to consider with recommended strategies for increased coordination with the intent of formalizing an infrastructure and process to successfully advance enhanced coordination in South Carolina. The goal of any alternative selected would ultimately be to put the state in a position to provide more trips at the same or better service quality than currently provided to transit customers.

**Coordination Plan Development**

SCDOT’s OPT and the SCDOT Office of Planning combined efforts to update the department’s Statewide Multimodal Plan and the ten regional coordinated plans to continue to meet the requirements of Federal Law as it relates to the Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310) Program as amended, and other associated human service agency projects. The regional coordinated plans continue to follow the local long-range transportation plans. The department will continue to dialogue with the ten COGs to ensure the plans reflect provisions mandated by Federal legislation.

The coordinated plan format is the same across all ten regions of the state, while development and content are specific to the needs and issues of each COG. The development of the coordinated plans is not meant to replace the efforts currently underway in specific areas of the state, but in those cases can be used to document and, where necessary, expand on those efforts in a consistent format. The coordinated plans are developed to address intra- and inter-regional needs and issues, and in a manner that allows the COGs, concurrent with regional Long Range Transportation Plan (LRTP) updates, to update the regional coordinated plans locally. Further, the coordinated plans are developed in a manner that allows the COGs to adapt and expand the plans to incorporate programs and initiatives specific to their regions, while maintaining the uniform format and compliance with current Federal law and guidance.

Plans are programmed for review and update every four years from the date of publication.
Coordinated Plan Content

While Federal law does not define an acceptable plan, plan content, at a minimum, must do the following:

- Assess and document transportation needs in each region for individuals with disabilities, older adults, and persons with limited incomes;
- Inventory available services in each region and identify areas of redundancy and gaps in service;
- Identify and document restrictions on eligibility for funding;
- Identify and document short- and long-range strategies in each region to address the identified gaps in service, including mobility management strategies;
- Identify and document technological resources currently available and appropriate for coordination of transportation services;
- Identify and document coordination actions in each region to eliminate or reduce duplication in services and strategies for more efficient utilization of resources; and
- Document and prioritize implementation strategies to increase coordination of transportation services in each region.

SCDOT supports a uniform application and selection process under the Section 5310 program for all COGs. To further this effort, SCDOT defines a menu of selection criteria that can be used uniformly across the ten regions, and documents the basis for the selected criteria. At a minimum, the selection criteria will:

- Correlate with regional plan implementation strategies;
- Address gaps in current service provisions for targeted communities;
- Make use of available resources and leverage resources to the extent possible;
- Facilitate coordination across public-private, inter-agency and geographic boundaries; and
- Coordinate with other Federal and/or state programs.

Specific selection criteria for each program are described in each annual application for funding.

The coordinated plans have been developed through a process that includes representatives of public, private and non-profit transportation and human service providers. SCDOT and the COGs have clearly documented the stakeholder involvement and public outreach conducted as a part of this effort. SCDOT worked with each COG in identifying the appropriate stakeholders within a specific region and conducted the public outreach process. The schedules, agendas and process strategies were coordinated with the Statewide Transit Plan development process that was concurrently underway whenever possible to avoid duplication in effort.
Key issues, needs and implementation strategies from each coordinated plan was compiled into a statewide Executive Summary that served as the foundation for development of a truly integrated inter-agency statewide coordination plan.
Chapter 6: Project Financial Management

**Background**

As primary recipient of FTA funds and as the State agency designated to administer such funds for public transportation activities in South Carolina, SCDOT will manage the fiscal elements of these programs in accordance with its existing procedures based on 2 CFR 200, FTA guidelines, and other applicable state and federal regulations.

If discrepancies exist between the language in this guidance and applicable federal and state regulations and statutes, the federal statute/regulation prevails.

**Pre-Award Requirements**

Upon initial approval of an applicant for inclusion in the Program of Projects, the SCDOT/Office of Public Transit shall ensure the subrecipient:

- Has the financial capability to perform the services required and that the accounting system is adequate and capable of segregating, accumulating, and maintaining costs of the project;

- Establishes adequate internal controls to ensure that project costs are reasonable, allocable and allowable under the project, that transactions are properly recorded, inventory procedures account for capital assets purchased with OPT administered funds and that documentation of project management and oversight results in preparation of required audits.

- Establishes a proper record retention policy to ensure that documents will be maintained for a three-year period. See Record Retention section later in this chapter.

**Establishment of Project Accounts**

**Standards for Accounting**

SCDOT maintains a financial management system of financial reporting, accounting records, internal controls, and budget controls subject to standards specified in the state laws enforced by the state auditor and the South Carolina Department of Administration. All systems and procedures for financial management are in compliance with 2 CFR Part 200, the Uniform Administrative Requirements, (as amended): Cost Principles and Audit Requirements for Federal Awards. All projects included in the annual program of projects shall be assigned a project number per contract for use as identification purposes.

All subrecipients are required to establish and maintain an accounting system to which all transportation–related costs and revenues are properly recorded, are clearly identified, easily traced and substantially documented. The fully allocated cost of the public transit program must be clearly identified regardless of the operational nature of the agency serving as the designated transit system.

SCDOT/Office of Public Transit and the subrecipient are both responsible for documenting and supporting all costs charged to the project and revenue earned. Supporting documentation shall
detail the nature and propriety of the charges. Examples of adequate documentation include, but are not limited to:

- Time records, authorized pay rates, checks and direct deposit documents for payroll;
- Vendor invoices, contracts for AP cash disbursements;
- Procurement documents, contracts, subrecipient billings for AR cash receipts;
- Cash receipts, cash disbursement, bank statements for bank reconciliations;
- Vendor invoices, purchase orders, and checks for fixed assets.

**Materials Inventory**

OPT defines materials inventory as items used to perform maintenance activities and objectives of OPT funded facilities, vehicles and other assets. It includes, but is not limited to, tires, fuel, oil, filters, etc. It excludes capital assets. OPT has established uniform standards for compliance to achieve adequate resource management of materials inventory items purchased, in whole or in part, with OPT administered funds.

**Subrecipient Materials Inventory Requirements**

Subrecipients will develop policies and procedures to ensure that inventory is safeguarded to prevent the abuse and misuse (i.e. not used for personal use) and ensure inventory costs are properly charged to programs in the period the program received the benefit. To ensure compliance with this policy, subrecipients may only submit requests for reimbursement for materials inventory that have been used (consumption method). OPT may consider exceptions to the consumption method on a case by case basis when considering inventory items that are hard to obtain and/or have unusual delivery times and where the costs are reasonable in nature. In such cases, OPT written approval is required before items are ordered.

OPT considers reasonable costs as costs that do not exceed an amount that would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs. In determining if a cost is reasonable, OPT may consider:

- If cost is ordinary and necessary for the performance of the contract;
- Generally sound business practices, related party transactions, Federal and State laws and regulations, and contract terms and conditions;
- That the individual acted with prudence under the circumstances, considering their responsibilities to the agency, clients, public, OPT and the Federal government; and
- If the action was a significant deviation from agency policies and procedures that unjustifiably increased costs.

Subrecipients must maintain inventory use records that support costs charged to OPT such as work orders or other supporting documentation. Documentation must include, at a minimum,
sufficient item description, VIN or serial number, as appropriate, item cost, and quantity. Allocated costs must be calculated in line with approved common cost methodology.

**Program Income**

OPT defines program income as gross income earned by a subrecipient that is generated directly by an activity supported in whole or in part with Federal funds or earned only as the result of the grant award. Only the portion of income recorded is considered program income and is subject to Office of Public Transit (OPT) oversight.

Program income does not include interest earned on advances of Federal funds, rebates, credits, discount, etc., and interest earned on any of them except as otherwise provided in the awarding agency regulations, award terms and conditions. Proceeds from the sale of real property, other capital assets, and supplies/materials inventory.

Program income:

- Must be retained in accordance with OPT agreements and used for allowable capital or operating expenses.

- Must be used to reduce total allowable cost to net costs on which the Federal share is determined when requesting reimbursement for OPT administered funds. Program income must not be used to reduce subrecipients’ local share.

- May be used to meet cost sharing or matching requirements for non-FTA transit programs, when authorized by OPT. The amount of the Federal award remains the same.

- If authorized by OPT, costs associated with the generation of program income may be deducted from gross income provided these costs have not been charged to the award.

- Must be accounted for in the subrecipients’ accounting system for income earned. The accounting system must be able to identify the purpose for which program income was used.

**In-Kind**

In-kind represents goods and services donated to the subrecipient’s agency that represent the monetary value in which OPT resources would have been expended to acquire the goods or services to accomplish program objectives. The goal of OPT is to manage and administer in-kind in a manner that ensures program compliance in accordance with federal and state laws, regulations, statutes and industry standards.

FTA provides States discretion in implementing program objectives; therefore, effective July 1, 2015 OPT no longer allows the use of in-kind contributions as local match in OPT administered program funding. However, future consideration for the limited application of in-kind may be offered by OPT.
**Cost Allocation Plans**

In compliance with Title 2 CFR 200 Subpart E-Cost Principles (as amended) Federal guidelines, OPT requires subrecipients have a cognizant agency approved Cost Allocation Plan (CAP) for charging indirect cost to OPT administered programs. The cognizant agency is the federal or authorized agency which provides the most federal funds to the subrecipient and is responsible for reviewing, negotiating, and approving cost allocation plans and/or indirect cost rate proposals.

The CAP Proposal is the document subrecipients will use to identify how allowable costs are accumulated and allocated or used to develop billing rates of services provided. This document will be used to ensure that the method of allocating cost among benefiting programs is reasonable and proportionate to the benefit received based on the process of assigning cost and equitable relationships. Costs must be charged consistently as indirect or direct. Costs cannot be as both; the portion charged as indirect must not be charged as direct and any portion charged as direct must not be charged as indirect. All cost must be properly supported with proper documentation.

**Indirect Cost Rate**

Subrecipients must have a cognizant agency approved Cost Allocation Plan (CAP) and/or Indirect Cost Rate (ICR) if a subrecipient wants to charge indirect costs (administration and general expenses) to OPT administered federal programs. Where OPT is the cognizant agency, subrecipients will submit The Cost Allocation Plan Proposal/Indirect Cost Rate Proposal for review and approval of an Indirect Cost Rate. Where OPT is not the cognizant agency, the subrecipient must submit the cognizant agency approval documents to OPT immediately upon receipt of the document.

**De minimis Rate In Lieu of Indirect Cost Rate**

A subrecipient who has never received a negotiated indirect cost rate from their cognizant agency may elect to charge indirect cost using the de Minimis rate for an indefinite period of time. The de Minimis rate is 10% of modified total direct costs (MTDC). Once elected, this methodology must be used consistently for all federal awards until the subrecipient chooses to negotiate an indirect cost rate. A subrecipient may negotiate a rate at any time.

**Direct Cost Allocation Methodology**

Subrecipients who have costs that benefits two or more projects, programs, or activities in proportions that can be determined without undue effort must allocate costs to the projects based on the proportional benefit. If cost that benefits two or more projects or activities cannot be determined, the costs may be allocated or transferred to benefitting projects on any reasonable documented basis.

**Travel & Training**

Travel and training not provided for or requested for reimbursement under RTAP funds may be included in other OPT-administered programs. Subrecipients must comply with OPT travel requirements identified under RTAP – see Chapter 12.
**Requests for Payment**

Before a subrecipient may begin requesting funds, a fully executed agreement must exist between the subrecipient organization and SCDOT/OPT. A subrecipient must also have on file with OPT a Signature Authorization Form that designates the individual(s) who has authority to sign request for payment on behalf of the subrecipient. The signature authorization form can be found at http://info2.scdot.org/optinternet/SitePages/Home.aspx

A subrecipient shall submit request for payments on forms provided through the Virtual Transit e-forms (VTe) electronic request for payment system as prescribed by the SCDOT/OPT. See the ‘Project Request for Payment Section’ of Chapter 11 for more information.

**Agreement Changes**

During the course of the agreement it may become necessary to make changes to the project in the form of administrative amendments, agreement revisions, or amendments. Agreement changes (amendments and revisions) must be submitted on the Budget Adjustment Form with a justification for contract revisions and all contract amendments that require OPT approval.

Budget changes must comply with salary and fringe contract percentage limitations and the administrative category limitation of 40% of total program budget. Once the original budget has been approved, OPT may not allow an increase in salary and/or fringe benefits expenses.

For budget changes to be effective, except for revisions requiring OPT concurrence, a modified contract must be fully executed before changes are reflected on Form 600 - Request for Payment Invoice Form.

**Administrative Amendment (Time Extension, etc.)**

An administrative amendment is a change in a grant agreement and may be initiated by SCDOT – OPT or the subrecipient. It is used to modify or clarify certain terms, conditions, or provisions under the contract. It may be used to modify an agreement to comply with changes required by SCDOT, to change or extend the agreement period (year), to change the type of funds obligated for a grant agreement, or to reflect a change in the subrecipient’s name. An administrative amendment cannot be used to change the scope, amount of funding, or purpose of a contract.

**Agreement Amendment**

An agreement amendment is a change in the scope or purpose of an agreement or the federal and/or state participation. An agreement amendment requires OPT’s approval before the agreement budget change can be reflected on Form 600 documents. A detailed justification must be submitted with the form. An agreement amendment is used for the following:

- Addition/deletion of budget line items in an approved agreement.
- Any scope change that will alter the original intent of the agreement.
- Changes that will affect the agreement category funding amounts and/or matching ratios.
• Changes in the number of units, size or physical characteristics of items to be purchased or constructed.

• A change that SCDOT concludes is significant to include, but is not limited to, route reductions, material or personnel changes etc.

**Agreement (Budget) Revision**

An agreement budget revision is appropriate if the purpose, scope, total category amount and total agreement amount remains consistent with the applicable approved agreement and budget. Agreement revisions must be reported on Form 600 documents. A detailed justification must be submitted with the form when OPT approval is required.

The following applies to agreement revisions that require OPT approval:

• Transfers are within a budget category from one budget category’s active (approved budget) line item to another agreement budget category active line item.

• The line item change must be a **change of 30% or greater**. For example, transferring funds from an approved administrative miscellaneous expense to an approved travel expense when the change represents a 10% change in an approved line item.

• There are no increases made to salaries and/or fringe benefit line item expenses.

The following applies to agreement revisions that may be made without OPT prior approval but does require OPT concurrence:

• Transfers are within a budget category from an active budget line item to another active budget line item.

• The line item increase/decrease must be **less than a 30% change**.

• There are no increases made to salaries and/or fringe benefit line item expenses.

**Allowable Revisions**

OPT encourages subrecipients to have a sound financial management system to allow for the completion and review of budget(s) to avoid unnecessary use of budget changes. The following conditions apply to budget change requests:

• No modification request by subrecipients will be allowed during the first 3 months of the contract period.

• Only three budget revision/amendment requests will be allowed between the 4th and 11th months during the contract period.

• No change request by subrecipients will be accepted during the last 30 days of the agreement period.
• Special circumstances may be considered on a case by case basis.

**Budget Change Process**

• Subrecipients must submit a request that includes a justification to the Regional Program Manager along with a properly completed Budget Change Form at least two weeks prior to the anticipated change date. The change must be initiated by an authorized representative of the agency.

• OPT will review along with appropriate OPT staff and will respond to the subrecipient in writing concerning the status of the request (approved, denied or needs to be modified).

• If approved, the grants and contract staff will initiate an agreement modification document that must be signed by the subrecipient and SCDOT- OPT authorized personnel.

• A copy of the request, Budget Change Form and other supporting documents will be maintained and uploaded in the Grants Management System.

**Closeout Procedures**

**Grant Agreement Closeout**

The South Carolina Department of Transportation’s Office of Public Transit (OPT) enters into yearly transit grants with the Federal Transit Administration (FTA). These grants are applied for, managed and monitored electronically through an FTA grant making system. OPT is expected to close out grants in a timely manner. In order to accomplish grant closeout, SCDOT-OPT must do the following:

• Submit quarterly/yearly federal financial reports and milestone progress reports;

• Update the program of projects as needed; and

• Expend funds as outlined in the grant.

Once all funds have been expended and/or projects are complete, OPT must follow the close out process in FTA’s electronic grant system. A final financial and milestone report are submitted. Any leftover funds are deobligated. OPT then notifies FTA that there are pending close outs in the system.

**Agreement Closeout**

The South Carolina Department of Transportation has the right to unilaterally initiate agreement close-out in cases where approved funds have been substantially disbursed or the subrecipient has done little to complete activities as approved in the contract. In every case, SCDOT will notify subrecipients by letter that the grant agreement has been closed out; indicating that the project is complete and no further charges will apply to that grant agreement.
Upon completion of a project, the subrecipient is to submit to SCDOT/Office of Public Transit within 30 days after the agreement ending date the items outlined below:

- A final Request for Payment invoice to request payment for any remaining eligible expenses, if appropriate;
- A check made payable to the South Carolina Department of Transportation for over requested funds;
- Copies of any technical studies or other documents produced as a result of the contract, if not already submitted; and
- Any other reports required as a condition of the contract.

**Audits**

OPT has established uniform standards to provide guidance in obtaining and reviewing financial statement audits in compliance with 2 CFR Subpart F Audit Requirements, State Auditor’s Office and SCDOT- OPT requirements. Required audits must include a Schedule of Budgeted To Actual Costs for each contract in which OPT-administered funds were expended. One schedule may be used to identify all RTAP contracts. These standards are applicable to all subrecipients expending OPT-administered federal and state funds.

OPT will track receipt and review of audits to ensure compliance with 2 CFR federal audit submission frequency, audit report, review, audit finding follow-up, Data Collection submission to Federal Clearing House and Management Decision / close out letter.

**Audit Report Submission Requirements**

The following audit report requirements are applicable:

- Subrecipients who expended $750,000 or more in OPT administered federal assistance in the subrecipient’s fiscal year must submit a single audit to OPT.
- Subrecipients not meeting the scope of a single audit but who expended OPT administered State Mass Transit Funds (SMTF) in any amount must submit a financial statement audit in compliance with the State of South Carolina Office of the State Auditor and the Office of Public Transit contractual requirements.
- Subrecipients who do not meet the scope of a single audit and did not expend OPT administered SMTF funds but who expended more than $200,000 in OPT federally administered funds, must submit a financial statement audit.
- Subrecipients not meeting the federal or state expenditure threshold identified above are not required to submit an audit to OPT.
- For profit agencies expending $750,000 or more in OPT administered federal assistance in the subrecipient’s fiscal year who receive only one type of federal funding, must submit a program specific audit to OPT in compliance with 2 CFR
Additional Audit Documents to Be Submitted
OPT requires subrecipients to submit a copy of the agency’s annual audit within nine months of the subrecipient’s fiscal year end. Agencies required to submit a single audit have the option of submitting the data collection form or submitting the identify auditee EIN with the audit. Subrecipients are required to submit with the following documents:

- A copy of the audit report that includes required Schedule of Budgeted to Actual Costs;
- A copy of the data collection form or provide information identifying the auditee EIN required for single audit clearing house submissions;
- The management letter and subrecipient response to the management letter. This letter is issued by the auditor and addresses issues the auditor needs subrecipient management to address, although the matter did not reach the level of a finding.
- Subrecipient responses to findings if not included in the audit.

Issues of Non-compliance
OPT will take appropriate action, outlined later in this chapter under Remedies for Noncompliance for non-compliance related to preparation and submission of required audit reports if subrecipient fails to;

- Submit the required report and documentation before the due date or obtain an extension from OPT to submit audit documents to OPT after the required submission date;
- Respond to the OPT review; or
- Have an audit conducted in accordance with audit requirements for cases of continued inability or unwillingness.

Record Retention
OPT requires subrecipient to retain financial records, supporting documents, and other records pertinent to an OPT agreement, at a minimum of three years from the date of submission of the final report in compliance with 2 CFR Subpart D §200.333 unless, subrecipient policy is more stringent. The following exceptions apply:

- If litigation, claims and audit findings are started before the 3-year period expires, then must keep records for 3 years from resolution and final action is taken;
- Three years from the date of assets disposal.
- For Indirect Cost Rate Proposals and Cost Allocation Plans
  - If required to be submitted for negotiation then must keep documentation supporting indirect cost rate computations, proposals, cost allocation plans, and
any similar accounting computations of the rates used to charge OPT programs for three years from date of submission plan for negotiation.

- If not required to be submitted for negotiation the record retention period starts at the end of the fiscal year covered by the proposal, plan, and other documentation.

**Remedies for Noncompliance**

Non-compliance with OPT administered program Project Financial Management requirements may result in OPT taking appropriate action as identified in, but not limited to, *Chapter 11 Disciplinary Action for Non-Compliance*. 
Chapter 7: Procurement

Background

The South Carolina Consolidated Procurement Code establishes standards for South Carolina State Government agencies' procurement and contracting activities. Political subdivisions, pursuant to State Procurement Code Section 11-35-50, in cooperation with the State, are required to develop and adopt procedures embodying sound principles of appropriately competitive procurement.

Procurement and third party contracting activities are primarily the responsibility of a local project. The procurement and contract standards set forth in this chapter shall apply to the procurement of capital equipment and professional services, and should follow established local procedures and applicable state or federal standards in accordance with the South Carolina Consolidated Procurement Code: http://www.scstatehouse.gov/code/t11c035.php

Subrecipients shall conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. This does not preempt State licensing laws. However, geographic location may be a selection criterion in procurements for architectural and engineering (A&E) services provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

Current Federal Fiscal Year Certifications and Assurances must be reviewed by the subrecipient and incorporated, as appropriate, into all solicitations, proposals, bids and/or awards conducted. Refer to the link provided for FTA’s current list of certifications and assurances, http://www.fta.dot.gov/grants/13071.html.

Procurement Options for Subrecipients

Eligible subrecipients have three primary options for procurement of goods and services:

1. Purchase of ADA transit vehicles from the State ADA Buses and Purpose Built Vehicles Contract.
2. Purchase of vehicles not on the State ADA Buses and Purpose Built Vehicles Contract
3. Purchase of other goods and services.

Cost and Price Analysis

A cost or price analysis must be performed in connection with every procurement action, including contract modifications. The method and degree of analysis depends on the facts and circumstances surrounding an individual procurement, but as a starting point, the subrecipient must make independent estimates before receiving bids or proposals.
Price Analysis

A price analysis will be the usual procedure followed in a competitive situation and in situations where items are being procured which are sold in the commercial marketplace to the general public. A price analysis is an evaluation of the offeror’s price relative to the prices being offered by other vendors and being paid by the general public for the same or similar items. The essential factors which must be present in order to make a price analysis are:

- The product must be a “commercial product” (i.e., one for which there is a basis of comparison in the commercial marketplace). Price analysis would not be suitable, for example, for research and development items, or for one-of-a-kind items for which there is no basis of comparison.

- It is not necessary that competing products be exactly identical to the product being offered, but one must be able to compare the products’ capabilities and their respective price differences in light of those varying capabilities. By such comparisons one is able to make value judgments that a particular product’s performance capabilities warrant a higher or lower price than a competing product.

Cost Analysis

A cost analysis will be required whenever a price analysis cannot be performed. A cost analysis entails the review and evaluation of the separate cost elements and the proposed profit of an offeror’s cost proposal. A cost analysis is conducted to perform an opinion on the degree to which the proposed cost, including profit, represents what the performance of the contract ‘should cost’, assuming reasonable economy and efficiency. A cost analysis will be appropriate in the following situations:

- The product or service being offered is not susceptible to being evaluated against other commercially available and similar products or services. Examples would include procurement for professional services where no competing price proposals are submitted, as in procurement for architectural/engineering services where only one cost proposal is solicited from the highest ranking firm, or sole-source procurement for other types of services.

- When change orders are issued to contracts requiring the contractor to do work whose cost can only be evaluated by examining the various cost elements, such as labor, materials, travel, etc.

Purchase of Transit Vehicles on State ADA Buses and Purpose Built Vehicles Contract

Upon receipt of an executed contract that includes a vehicle purchase from SCDOT/OPT, a subrecipient has the option to purchase a vehicle off the State ADA Buses and Purpose Built Vehicles Contract. SCDOT/OPT and South Carolina Materials Management Office (MMO) will secure all required federal clauses and certifications for inclusion into the final ADA Buses and Purpose Built Vehicles Contract. The subrecipient requirements are outlined below:

To review the statewide contracts refer to http://webprod.cio.sc.gov/SCSolicitationWeb/solicitationAttachment.do?solicitnumber=5400016183
Subrecipient Responsibilities (when purchasing off State Contract)

1. Verify you have a current executed contract that allows for the purchase of vehicle(s).

2. Submit an Office of Public Transit (OPT) Procurement Approval Form to the Asset Manager for approval, and along with the following documentation:
   - Vehicle specifications on the letterhead of the chosen vendor and include all of the options to be included in the vehicle purchase
   - Documented proof of verification that the vendor is registered with sam.gov
   - Documented proof of verification that the vendor is eligible to review federal funds and it listed as an Eligible Transit Vehicle Manufacturer, using the following link: https://www.transit.dot.gov/regulations-and-guidance/civil-rights-ada/eligible-transit-vehicle-manufacturers.

3. Upon receipt of an “approved” OPT Procurement Approval Form from the Asset Manager, order vehicle with the “approved” options in a timely manner to ensure delivery of vehicle prior to the conclusion of the contract.

4. Upon delivery of the vehicle, contact the Asset Manager to schedule an on-site inspection of the vehicle. Be sure that all the required forms and invoices are completed and signed and sufficient copies are available to be provided to the SCDOT/OPT Asset Manager. This documents shall include but not be limited to:
   - Buy America Pre/Post Compliance Certifications.
   - SCDMV Form 400 with SCDOT/OPT listed as the 1st lien holder.
   - Current proof of insurance.
   - All delivery documents.
   - Vendor invoices for each vehicle.
   - SCDOT/OPT Vehicle Inspection Form.
   - SCDOT/OPT Property Delivery Receipt and Supplemental Form.
   - Visual inspection and road test (Transit Buses Only).
   - Title all vehicles purchased with federal or state funds, the titles are required to show the transportation provider as owner and SCDOT/OPT as the primary security interest (lien holder). Vehicles cannot be transferred to another party without the approval of SCDOT/OPT.

5. Pay any titling and registration fees to license the vehicle per South Carolina Department of Motor Vehicles regulations.
6. Obtain insurance coverage to protect the operators, assistants, occupants and the equipment during the life of the asset/vehicle.

7. Upload all required documentation listed in Step 4 and submit along with Form 600 to the Program Manager in the VTE system.

**SCDOT Responsibilities (when purchasing off State Contract)**

8. Asset Manager will review and approve options specifications with an approved Procurement Approval Form.

9. Upon delivery of the vehicle, SCDOT/OPT Asset Manager will conduct the required inspection, to ensure that the subrecipient has satisfied all necessary requirements, and has completed and signed all required forms and invoices. Once all certifications and forms have been completed, copies must be given to the appropriate SCDOT/OPT asset manager.

10. Reimbursement for capital items will not be made until all required documentation is submitted to SCDOT’s Office of Public Transit and has been reviewed and approved by OPT staff.

**Purchase of Vehicles and Other Equipment and/or Services**

Beginning with the 2017 – 2018 contract year, subrecipients who desire to purchase off state contract must ensure that the contract clause “Statewide Term Contract (DEC 2015) (see below) is included in the statewide procurement solicitation. This language can typically be found in section VII B - TERMS AND CONDITIONS -- B. SPECIAL.

**STATEWIDE TERM CONTRACT (DEC 2015)**

(a) With this solicitation, the state seeks to establish a term contract (as defined in Section 11-35-310(35)) available for use by all South Carolina public procurement units (as defined in Section 11-35-4610(5)). Use by state governmental bodies (as defined in Section 11-35-310(18)), which includes most state agencies, is mandatory except under limited circumstances, as provided in Section 11-35-310(35). See clause entitled "Acceptance of Offers 10% Below Price" in Part VII.B. of this solicitation. Use by local public procurement units is optional. Section 11-35-4610 defines local public procurement units to include any political subdivision, or unit thereof, which expends public funds. Section 11-35-310(23) defines the term political subdivision as all counties, municipalities, school districts, public service or special purpose districts.

(b) The State shall be entitled to audit the books and records of you and any subcontractor to the extent that such books and records relate to the performance of the work. Such books and records shall be maintained by the contractor for a period of three years from the date of final payment under the contract and by the subcontractor for a period of three years from the date of final payment under the subcontract, unless a shorter period is otherwise authorized in writing by the Chief Procurement Officer.

(c) As used herein, "additional contract terms" means additional terms not otherwise allowed by the "Purchase Orders" clause. Notwithstanding the "Purchase Orders" clause, a purchase order may include additional contract terms but only if and to the extent necessary (i) to comply with a
requirement directly related to the work and imposed on the Using Governmental Unit either by
law or as a condition of using state or federal assistance, grant, or contract funds, or (ii) for the
Using Governmental Unit to impose organizational, operational, or technical security measures
designed to protect the integrity, availability, or confidentiality of the Using Governmental Unit's
data. Contractor may decline to honor a purchase order including additional contract terms.

(d) If the contractor is suspended or debarred pursuant to Section 11-35-4220, the State may,
without prejudice to any other remedy available to the State, take any one or more of the
following actions: (1) order the contractor to not accept any further orders under the contract until
the suspension or debarment has been lifted; (2) terminate this contract; (3) order the contractor to
not accept any further orders under any other statewide term contract; or (4) terminate the
contractor’s award of any other statewide term contract.

A partial listing of the solicitations that may include the above language: the Fuel Card
Management System, Bulk Gasoline (E10 Ethanol Blended Gasoline), sedans, pickups, vans and
SUV’s.

In order to issue a purchase order for any of these services the Subrecipient must:

1. Be responsible for verifying the solicitation/contract documents for the language and that
   the vendor is registered on sam.gov.

2. Submit federally required clauses to the vendor with the purchase order for each MMO
   contract number in which items are to be purchased. Vendor must certify in writing that
   they will comply with federally required clauses.

   a. The vendor must agree to comply with and signed the federal clause
      certification in order for the subrecipient to utilize any portion of state and/or
      federal funds to issue the purchase order.

3. Contact your Regional Program Manager with any questions concerning the OPT
   procurement process.

When purchasing from State contract is not possible or feasible, procurement shall be conducted
in accordance with established State Procurement Code Regulations and FTA Circular
4220.1(series), Third Party Contracting Guidance, (as amended). In the areas where State
guidance is more restrictive than Federal guidance, the State guidance is the recommended
method of procurement.

Specifications for vehicles, equipment, and professional services (e.g. architectural and
engineering or consulting firms) should be written in a manner so as not to unduly restrict
competitive bidding.

Procurement requirements must not be artificially divided by the subrecipient so as to constitute
a small purchase in order to avoid competitive procedure(s) appropriate for the approved
acquisition.


**Subrecipient Responsibilities (Competitive Bid)**

1. Choose the appropriate solicitation method

2. Submit the solicitation before advertising to the OPT Regional Program Manager for approval and/or to the Asset Manager for procurement of a vehicle.
   - Written solicitation must include all applicable federally required clauses, and certifications and assurances. Should include bidder’s right to protest.
   - Vehicles must include, but is not limited to, FMVSS, lobbying, and Buy-America certifications.
   - To review FTA federal clauses, refer to SCDOT website.

3. After receiving solicitation approval, advertise solicitation as required.

4. Prospective bidders, offerors, contractors or subcontractors who feel aggrieved by the solicitation shall provide written protest to the procurement officer in accordance with prevailing procurement policy. The protest must include the grounds of the protest and the relief requested.

5. Receive bid offers. The date and location of posting of the intent to award must be announced at bid opening. Document evaluation of bid/offers based on selection factors identified in the solicitation. Must ensure that the winning bidder meets all FTA manufacturers’ requirements for each vehicle type to be purchased by receiving a copy of the Altoona/STURAA bus test reports on each vehicle type as part of the pre- and post-delivery acceptance of the vehicle (as appropriate). Maintain solicitation documents as part of the procurement files.

6. For purchases of $10,000 or greater, obtain written OPT approval before awarding and executing the contract between the subrecipient and the successful bidder. The subrecipient must submit the OPT Procurement Approval Form and the Procurement Package to the OPT Regional Program Manager and/or to the Asset Manager if procuring a vehicle. Refer to **Methods of Procurement** for OPT Procurement Package documentation.

7. Notice of intent to award must be in accordance with the procurement policy. All responsive bidders shall receive a copy of the notice and bid tabulations.

8. Bidders who feel aggrieved during by the notice of intent to award, may submit a written protest to the appropriate procurement officer. The protest must include the grounds of the protest and the relief sought.

9. After protest connected to the intent to award is resolved, the subrecipient may enter into a contract with the bidder named in the notice.

10. For vehicle procurements, notify FTA within 30 days of making an award, of the name of the successful bidder, type of vehicles, number of vehicles and dollar value.
of vehicles and copy OPT. Notification is provided using the online Transit Vehicle Award Reporting Form on FTA’s Civil Rights DBE webpage at:

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

11. Place order in timely manner to allow for delivery before end of the contract period.

12. Subrecipient must award to the most responsive and responsible offeror. For all procurements above the micro-purchase threshold, subrecipients must make a determination of responsibility in accordance with FTA circular C4220.1 Chapter IV, paragraph 2.a (1) to ensure that they subrecipient’s determination of responsibility at a minimum consider the following:

i. Contractor integrity

ii. Compliance with public policy

iii. Record of past performance

iv. Financial and technical resources.

**Delivery of Vehicle Procured (state contract or by bid)**

Subrecipient vehicle delivery requirements are the same when purchasing off state contract or by bid.

**Subrecipient Responsibilities (Vehicle Delivery) (page 82)**

1. Contact OPT Asset Manager prior to vehicle delivery date to schedule an inspection date. New vehicles **CANNOT** be placed into service until the on-site inspection has been completed successfully.

2. Provide SCDOT/OPT Asset Manager with the following documentation:

   - Pre-award Compliance Certifications if vehicle was not purchased off MMO State Contract. Pre-award includes Buy America, Purchaser’s Requirements and FMVSS Compliance certifications.
   - Vendor Invoice and Purchase Order invoice that identifies vendor name, subrecipient name, vehicle description (year, make, and model), to support each vehicle purchase.
   - Property Delivery Receipt and Property Delivery Receipt Supplement signed and dated that reports on each vehicle purchased. Property Delivery Receipt Supplement is to include agency accounting asset number and assigned agency number.
   - Post-delivery Compliance Certifications, as applicable, for each vendor in which a vehicle was purchased. Post-delivery includes Buy America, FMVSS, and On-Site Manufacturer Inspection Compliance Certifications.
• Insurance Identification Card. Must obtain enough insurance coverage to protect the operators, assistants, occupants and the equipment during the life of the asset/vehicle.

• DMV Affidavit & Notification of Sale of Motor Vehicle

• DMV Form 400 - Application for Certificate of Title & Registration for Motor Vehicle. Title for vehicles purchased with OPT administered federal or state funds are required to show the transportation provider as owner and SCDOT/OPT as the primary and ONLY security interest (lien holder). Subrecipient is required to license the equipment per South Carolina Department of Motor Vehicles regulations.

• Comply with South Carolina Department of Motor Vehicles (DMV) regulations and pay associated fees (registration, title, license, etc.)

• Submit to Regional Program Manager the Request for Reimbursement and supporting documents within 30 days of a successful OPT inspection. See Chapter 11 Project Invoicing for requirements.

**OPT Responsibilities (Vehicle Delivery)**

• Asset Manager will review and approve vehicle specifications using OPT Procurement Approval. Will perform vehicle inspections before vehicle is put into revenue service.

• Asset Manager will collect vehicle documentation to support the purchase, delivery and inspection and documentation of insurance and DMV registrations. Regional Program Manager will review Request for Reimbursements for capital items to ensure required supporting documents are submitted. Refer to Chapter 11 Project Invoicing.

**Methods of Procurement**

Procurement shall be conducted by one of the following methods:

**Micro Purchases not exceeding $2,500**

1. May be accomplished without securing competitive quotes.

2. Document the determination that the price is fair and reasonable.

3. Cost or price analysis conducted.

**Small Purchases: $2,500 to $10,000**

1. Require solicitation of written quotations from a minimum of three qualified sources. Quotes shall contain all costs associated with shipping and handling. Do not show sales tax. Sales tax is not a factor in making an award. If written quotes are received,
they shall be obtained for all vendors who are quoting and shall be attached to the requisition.

2. Award shall be made to the lowest responsive and responsible bidder.

3. Attached quotes to the requisition.

4. Cost or price analysis conducted.

5. Upon approval by SCDOT/Office of Public Transit and for procurements of $10,000 or greater, the subrecipient shall enter into a firm, fixed price contract with the bidder;

**Purchases: $10,000.01 to $49,999.99**

1. Require written solicitation of written quotes (quotes, bids, or proposals).

2. The procurement must be advertised at least once in the South Carolina Business Opportunities (SCBO) publication.

3. Award shall be made to the lowest responsive and responsible source or, when a request for proposal process is used, the highest ranking offeror.

4. Cost or price analysis conducted.

5. Upon approval by SCDOT/Office of Public Transit and for procurements of $10,000 or greater, the subrecipient shall enter into a firm, fixed price contract with the bidder;

**Purchases: $50,000 and greater**

1. An invitation for bids must be issued in an efficient and economical manner and must include specifications and all contractual terms and conditions applicable to the procurement.

2. Subrecipients must receive OPT written approval for bid/proposal award prior to execution of an agreement or contract between subrecipient and successful offeror.

3. The procurement must be advertised at least once in the South Carolina Business Opportunities (SCBO) publication.

4. Award shall be made to the lowest responsive and responsible source or, when a request for proposal process is used, the highest ranking offeror.

5. Cost or price analysis conducted.

**NOTE:** For procurements of $10,000 or greater, the subrecipient must receive written approval from SCDOT’s Office of Public Transit for bid award prior to the execution of an agreement or contract between the subrecipient and the selected bidder.
The subrecipient should provide the following information in requesting bid approval:

1. A copy of the written solicitation and written quotes;
2. A copy of the SC Business Opportunities (SCBO) advertisement;
3. A copy of the final bid specifications;
4. A tabulation of the bid certified by the subrecipient’s agency director;
5. A recommendation made by the subrecipient as to the bid award;
6. A copy of the bid submitted by the recommended bidder, along with any pertinent correspondence relating to the exceptions to the approved specifications;
7. Acknowledgement that the contractor will comply with all Federal requirements as mandated by FTA;
8. Upon approval by SCDOT/Office of Public Transit, the subrecipient shall enter into a firm, fixed price contract with the bidder;
9. Retain documentation for three (3) years from:
10. The date of submission of the final request for payment of the grant agreement that includes the small purchase;

OR

11. If equipment purchase, the date of disposition of equipment purchased as a result of solicitation; and
12. The contract file must contain the basis on which the award was made and must be sufficient to satisfy an external audit.

**Sole Source**

Sole source procurement is not permissible unless there is only a single supplier. The following are examples of circumstances which could necessitate sole source procurement:

- Where the compatibility of equipment, accessories, or parts is the paramount consideration;
- Where a sole supplier’s item is needed for trial use or testing;
- Upgrade to proprietary software or hardware; or
- Where the item is one of a kind.

The determination as to whether a procurement shall be made as a sole source shall be approved by the Director of Office of Public Transit.
The Justification of Sole Source Form (located on OPT website) and supporting documentation shall be prepared and submitted to the program manager for review and concurrence.

**Emergency**

Purchases of this nature can be made only if a condition is present that creates a threat to public health, welfare, critical economy and efficiency, or safety under emergency conditions. The Governor declares statewide emergencies, however local transit agencies may request permission to utilized State and/or Federal funds from OPT for an emergency procurement related to their operations, such requests must be submitted to the Director of Office Public Transit for review and approval.

The Justification of Emergency Form and supporting documentation shall be prepared and submitted to the program manager for review and concurrence.

Note: If there is an emergency after normal working hours, the highest-level employee who is directly involved in the emergency shall seek as much competition as is practical to alleviate the emergency. The Director of Office of Public Transit shall be contacted the next business day.

**Procurement Package Documentation**

The subrecipient contract file, at a minimum, is to maintain documentation to support the basis on which the award was made and is provided to OPT when requesting bid approval. Referred to as the Procurement Package, it includes, at a minimum:

1. A copy of the written solicitation and written quotes; preferably includes all applicable federal clauses for solicitations of $10,000 or greater
2. A copy of the SC Business Opportunities (SCBO) advertisement;
3. A copy of the final bid specifications;
4. A tabulation of the bid certified by the subrecipient's agency director;
5. Subrecipient recommendation as to the successful bidder of the bid award;
6. A copy of the bid submitted by the recommended bidder, along with any pertinent correspondence relating to exceptions to the approved specifications;
7. Acknowledgement that the contractor will comply with all Federal requirements as mandated by FTA;

**Procurement Record Retention**

Regardless of the procurement method, all procurement documents must be maintained, at a minimum, in compliance with OPT *Chapter 6 Record Retention Policy*. 
Procurement PRO
Procurement PRO is an internet procurement tool designed to guide recipients of federal assistance through the federal procurement process. More information is available at https://nationalrtap.org/.

Sourcing Methods

Competitive Sealed Bidding (Invitation for Bid)
- Refer to South Carolina Consolidated Procurement Code, 11-35-1520.
- Required if contracts are greater than $50,000.
- Preferences do not apply unless federal funding applies.

Competitive Fixed Price Bidding
- Refer to South Carolina Consolidated Procurement Code, 11-35-1525.
- Can be awarded to more than one offeror.
- Can accept bids after the initial opening date if bidder is responsible and responsive as authorized by the solicitation.
- Entity sets the maximum amount it will pay for services or supplies.

Competitive Best Value Bidding
- Refer to South Carolina Consolidated Procurement Code, 11-35-1528.
- Evaluation panel is applicable.
- Bids are evaluated and ranked according to evaluation factors.
- Price must be weighted by at least 60% of all evaluation factors.
- CANNOT negotiate the bid except if lowering the price.
- Entity sets the maximum amount it will pay for services or supplies.

Competitive Online Bidding (Reverse Auction)
- Refer to South Carolina Consolidated Procurement Code, 11-35-1529.
- Lowest bid price is posted electronically.
- Preferences do not apply.
- BidBridge© is the official eProcurement provider for the State.

Competitive Sealed Proposals (Request for Proposal)
- Refer to South Carolina Consolidated Procurement Code, 11-35-1530.
• Evaluation panel is applicable.

• Preferences only apply to State funded acquisitions not Federal

  a. Preferences apply to any solicitation that is between $10,000 - $500,000

  b. Preferences apply by line item up to a per unit cost of $50,000 for commodities or $50,000 per year for services.

• Evaluate other factors besides price.

“Piggy-backing”
Per South Carolina procurement policy, SCDOT does not allow subrecipients to “piggyback” off of another state’s procurement contract. Conversely, SCDOT will not allow piggybacking on contract awards made under SMTF and/or FTA Sections 5310 or 5311.

Illegal Immigration and Public Contracts
On June 4th, 2008, the South Carolina Illegal Immigration Reform Act, 2008, Act No. 280 was signed into law. Section 3 of this Act added Title 8, Chapter 14 of the South Carolina Code of Laws. Titled "Unauthorized Aliens and Public Employment," this new chapter contains the act's primary restrictions regarding contracts between private businesses and governmental entities. According to the act's title, Chapter 14 was added in order "to require contractors or subcontractors who contract with public employers for the physical performance of services to register and participate in the federal work authorization program or otherwise verify employees, to define terms, to establish deadlines for compliance by public employers, contractors, and subcontractors, to require that the provisions of the chapter are enforceable without regard to race, religion, gender, ethnicity, or national origin, and to authorize the director of the State Department of Administration to prescribe forms and promulgate rules necessary to administer the act and publish the rules and regulations on that agency's website."

Ethics
The following Ethics Certification must be included in all solicitations:

By submitting an offer, the offeror certifies that the offeror has and will comply with, and has not, and will not; induce a person to violate Title 8, Chapter 13 as amended, of the South Carolina Code of Laws, as amended (Ethics Act).

The following statutes require special attention:
• Section 8-13-700, regarding use of official position for financial gain;

• Section 8-13-705, regarding gifts to influence actions of a public official;

• Section 8-13-720, regarding offering money for advice or assistance of a public official;

• Sections 8-13-755 and 8-13-760, regarding restrictions on employment by a former public official;
• Section 8-13-775, prohibiting public official with economic interests from acting on contracts;

• Section 8-13-790, regarding recovery of kickbacks;

• Section 8-13-1150, regarding statements to be filed by consultants; and

• Section 8-13-1342, regarding restrictions on contributions by contractor to candidate who participated in awarding of contract.

The state may rescind any contract and recover all amounts expended as a result of any action taken in violation of this provision. If contractor participates, directly or indirectly, in the evaluation or award of public contracts, including without limitation, change orders or task orders regarding a public contract, contractor shall, if required by law to file such a statement, provide the statement required by Section 8-13-1150 to the procurement officer at the same time the law requires the statement to be filed.

**Lobbying**

Recipients of federal grants from any source exceeding $100,000 annually must certify that they have not and will not use federally appropriated funds for lobbying. State agencies administering 5310 and 5311 programs certify to FTA; 5310 and 5311 subrecipients certify to the state. State agencies and subrecipients must impose lobbying restrictions on their third-party contractors and must obtain certifications.

Lobbying is defined as influencing or attempting to influence an officer or employee of any Federal department or agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with obtaining a federal grant, cooperative agreement, or any other federal award.

Currently, subrecipients certify to SCDOT through the grant application process by submitting annual certifications and assurances. Specific contracts, grants or cooperative agreements are actions covered by the restrictions on lobbying. For example, activities such as submitting grant applications, status inquiries, and professional and technical services are not lobbying and do not need to be disclosed. Efforts to influence Federal officials about specific grants and contracts or to ask Congressional representatives for support of a particular application or bid must be disclosed. Also, lobbying restrictions do not apply to activities that might influence policy issues.

**Subrecipient Responsibilities**

• Sign a certification of compliance pertaining to lobbying activities.

• Where third party contractors are involved, subrecipients must obtain a signed certification of compliance from the contractor.

• If non-federal funds have been used to support lobbying activities in connection with a grant from SCDOT, and the subrecipient receives federal grants exceeding $100,000, fill out Standard Form-LLL and submit it to OPT.
• If contractors received more than $100,000 in federal funds and used non-federal funds to support lobbying, subrecipients must obtain the completed Standard Form-LLL from the contractor and submit it to OPT.

**Debarment and Suspension**

Subrecipients receiving more than $25,000 through a project from SCDOT must certify they are not debarred or suspended from any Federal agency. This is accomplished through the application process and the annual certifications and assurances.

To prevent fraud, waste and abuse in federal and state transactions, persons or entities that, by defined events or behavior, potentially threaten the integrity of federally administered programs are excluded from participation in FTA and/or State assisted programs.

SCDOT will not enter into any third-party contract or agreement with any party included in the “US General Services Administration's List of Parties Excluded from Federal Procurement or Non-procurement Programs.” This pertains to all FTA sponsored program funds. All recipients and subrecipients including private contractors are required to register with [https://www.sam.gov/SAM](https://www.sam.gov/SAM/)

Additionally, subrecipients are precluded from doing business with parties that are disqualified from receiving solicitations or awards of contracts by the State of South Carolina, pursuant to the provisions of Sections 11-35-310(14) & (34) and 11-35-4220 and of the South Carolina Code of Laws. Listing of State of South Carolina excluded parties is located at [https://procurement.sc.gov/agency/vendor-contractor](https://procurement.sc.gov/agency/vendor-contractor).

Disqualification does not affect pre-existing contractual relationships.

**Subrecipient Responsibilities**

• Sign a certification of compliance pertaining to debarment and suspension.

• Verify that a third-party contractor is not disqualified by a Federal agency.

• Obtain a signed certification or add a clause or condition to the contract or subcontract regarding debarment and suspension.

• Maintain documentation of sam.gov search in procurement file.

**Buy America Provisions**

Buy America provisions are federal “domestic content” regulations. Buy America affects vehicle and equipment purchases and construction contracts valued at $100,000 or more. It provides, with exceptions, that federal funds may not be obligated for transportation projects unless the steel and manufactured products used in them are produced in the United States.

The FTA website provides extensive guidance regarding [Buy America requirements](https://www.fta.dot.gov/buyamerica) and provides required forms and documentation. All procurements shall be reviewed by SCDOT Office of Public Transit staff. No reimbursement for capital expenses will be issued until all required documentation has been received and reviewed by SCDOT and is satisfactorily complete.
Section 165 of the Surface Transportation Assistance Act of 1982 provides that, with exceptions, federal funds may not be obligated for public transportation projects unless steel and manufactured products used in such projects are produced in the United States. The Intermodal Surface Transportation Efficiency Act of 1991 added iron to the commodities covered.

Subrecipients must comply with 49 CFR Part 661 and any amendments thereto. Buy America requirements apply to all purchases above $100,000, including materials or supplies funded as operating costs. Buy America waivers must be submitted to FTA for approval. There are four exceptions to the basic requirement:

- It will not apply if its application is not in the public interest;
- It will not apply if materials and products being procured are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality;
- It will not apply in a case involving the procurement of buses and other rolling stock, (including train control, communications, and traction power equipment) if the cost of components and subcomponents which are produced in the United States is more than 60 percent of the cost of all components and subcomponents of the vehicles or equipment, and if final assembly takes place in the United States; and
- It will not apply if the inclusion of domestic material will increase the overall project contract by more than 25 percent.

**Pre-Award and Post-Delivery Reviews**

Procurements for vehicles must be in accordance with “Pre-Award and Post-Delivery Audits of Rolling Stock Purchases” (49 CFR Part 633: Federal Register March 31, 1992). This rule requires that any subrecipient who purchases rolling stock must certify to SCDOT that it has conducted a pre-award and post-delivery audit to ensure compliance with its bid specifications, Buy America requirements and Federal Motor Vehicle Safety Standards.

**Regulation Requirement**

Regulation for establishing “in-plant” bus inspections for all bus orders that are more than 10 buses or modified vans, or 20 or more of the vehicles that are purchased for a FTA recipient/subrecipient in an area with a population of less than 200,000. [See 49 CFR 633.37]. For orders that exceed these quantities, an agency must send a resident inspector to the manufacturer’s production facility during the final assembly period to: Monitor the final assembly process and complete a final report describing the construction activities and explaining how the construction and operation of the buses fulfill the contract specifications. Visual inspection and road testing are required when purchasing unmodified vans, cars, or 20 or fewer buses. Resident inspection is required when purchasing more than 20 buses or modified vans from a single manufacturer.

Subrecipients are required, prior to awarding bid for any rolling stock, to certify that a pre-procurement audit has been conducted to verify that the bid proposed for acceptance appears to
comply with the Buy America requirements and with appropriate Federal Motor Vehicle Safety Standards (FMVSS). SCDOT’s Office of Public Transit Office will monitor this process and ensure compliance through the procurement process.

For any procurement involving ten or more vehicles to be awarded as a unit, the subrecipient must perform an on-site inspection of the manufacturing process while the units are being assembled. The cost of such an inspection exercise is considered an eligible project cost.

The subrecipient/SCDOT Office of Public Transit asset manager shall perform a post-delivery review of all vehicle procurements, after delivery and prior to acceptance, the subrecipient must certify that the vehicles have been inspected and comply with the procurement specifications, as well as with the Buy America and FMVSS provisions.

### New Model Bus Testing

New bus models must be tested at the FTA-sponsored test facility in Altoona, PA before federal funds can be expended to purchase them. The FTA rule exempts certain vehicles from testing (usually sedans and non-modified vans). The primary purpose of the testing program is to determine the strengths and weaknesses inherent in the particular model under typical operating conditions. Ideally, subrecipients use the bus-testing report as one of the criteria used to select the vehicle for purchase.

**Reimbursement for capital items will not be made until all required documentation is submitted to SCDOT’s Office of Public Transit and has been reviewed and approved by OPT staff.**

### Purchase of Service Contracts

Agencies approved to receive funds for Purchase of Service (POS) are required to bid those services out using the Invitation for Bid (IFB) procurement process. The solicitation should be for one (1) year with up to 4 renewal options.

The agency is also responsible for submitting all POS information to their regional program manager for approval prior to initiating the POS contract. Failure to receive prior approval for a POS contract may result in non-payment for the services.

Subrecipients may purchase service from private sector transportation providers as well as public providers. Under such arrangements, certain special conditions apply to the purchase of service agreement.

The purchase of service contracts must be either a cost reimbursement or fixed price contract:

- **Fixed price contracts** should have the cost calculated based on service or route specifics, utilizing, either vehicle or passenger miles, or a combination of both. It is not subject to any adjustment on the basis of a contractor's cost experience in performing the service.

- **Cost reimbursement contracts** should allow for a periodic evaluation of the fixed rate in order to accommodate changes in transportation costs. These contracts establish an
estimate of total cost for obligating funds and establishing a ceiling that the contractor may not exceed (except at its own risk) without approval.

Profit is an eligible cost in the contract. The amount of profit must be established as a fixed fee, not as a percentage figure.

Depreciation of vehicles is an eligible expense in private sector purchase of service agreements and must be based on acquisition, not replacement costs, and is not eligible if the vehicles were originally purchased with federal funds.

Management or administrative costs incurred by the contractor should be pro-rated for only that portion of the operator's service being purchased with Section 5310 or 5311 funds.

Section 5310 participation in purchase of service contracts shall not exceed 80% of the net contract costs for both operating and administration costs.

SCDOT’s Office of Public Transit shall approve the proposed purchase of service contracts prior to execution by the subrecipient.

**Bid Protests/Appeals**

The subrecipient is responsible for settling disputes resulting from any procurement action.

Under limited circumstances, a bidder may protest to SCDOT/Office of Public Transit pursuant to a subrecipient's award of a contract.

SCDOT/Office of Public Transit’s role in a bid protest shall be limited to the conditions set forth in FTA Circular 4220.1F (as amended).
Chapter 8: Asset Management

Background

The Office of Public Transit defines capital asset as an item purchased with OPT-administered funds with a purchase price of $5,000 or greater and a useful life of at least one year. Subrecipient’s capitalization policy may have a capital asset threshold less than $5,000. For the purposes of the SCDOT Group Transit Asset Management (TAM) Plan, subrecipients report capital assets with a purchase price of $50,000 or greater. Capital assets are interchangeable with fixed assets, long-term assets, and real property, etc. Capital assets excludes office supplies and operating materials and supplies.

OPT’s asset management is based on MAP-21 act, 49 Code of Federal Regulations (CFR) §625 regulations, applicable FTA Circulars, and 2 CFR part 200, as amended. Subrecipient’s asset management system must allow expenditures to be traced to accounts to establish that funds were used according to the agreement. The system must be able to provide for accurate financial reporting supported by adequate source documentation and ensure adequate maintenance procedures to keep property in good condition.

Subrecipients must have written policy and procedures based on US Comptroller General “Standards for Internal Control in the Federal Government or Committee of Sponsoring Organizations of the Treadway Commission (COSO) “Internal Control Integrated Framework”. Effective controls must identify controls over asset accountability, adequate safeguards to ensure assets are used solely for authorized purposes -the manner for which it was purchased. Controls are to identify how subrecipients will comply with statutes, regulations, and conditions of the OPT agreement.

Subrecipients who purchase capital assets with OPT-administered funds are required to certify that capital assets purchased under the project shall be used for the provision of public transportation services within the subrecipient’s service area or other areas as described in the grant application. Capital assets shall be used for the life of the asset in compliance with the property management standards. The title/deed to all capital assets purchased with OPT-administered federal/state funds shall be maintained by the SCDOT until the useful life of the property has been met and no federal interest exists. Subrecipients may request the title be released to them once the useful life is met.

If a subrecipient’s transit system is failing to use or maintain OPT funded assets properly, OPT may initiate disciplinary action in connection with Chapter 11 Disciplinary Action for Non-Compliance.

Transit Asset Management Plan (TAMP)

Moving Ahead for Progress in the 21St Century (MAP-21) enacted legislation established the concept of the “State of Good Repair” - a condition in which assets are fit for the purpose for which they were intended. This legislation requires public transportation agencies receiving federal assistance or grant money to develop an asset management plan. The Transit Asset Management Plan Tier II framework is designed to achieve a state of good repair.
SCDOT Office of Public Transit (OPT) held various sessions with plan participants in which decisions from those meetings were used to develop the plan. The group TAMP Tier II became effective October 1, 2018 and all transit assets under the administration of the South Carolina Department of Transportation will be guided by the policy provisions as laid out in the plan.

See SCDOT website for the Transit Asset Management Plan.

**TAM Plan Requirements:**

SCDOT OPT has developed the TAM Plan in accordance with the guidelines established by FTA. 49 CFR §625.27 “Group Plan for Transit Asset Management requires that States, acting as sponsors, develop a group TAM plan for all subrecipients under the Rural Area Formula Program (Section 5311), and urbanized area operators not meeting the scope of the Tier I TAM plan. SCDOT is responsible for setting unified targets for the plan participants. While 49 CFR §625.25 requires that all TAM Tier II plans include:

1. An inventory of the number and type of all capital assets that the subrecipient owns, except equipment with an acquisition value under $50,000 that is not a service vehicle.

2. A condition assessment of those inventoried assets (in #1) for which SCDOT OPT has direct capital responsibility.

3. A description of analytical processes or decision-support tools used to estimate capital investment needs over time. OPT uses the decision support tools FTA developed analytical TAM Plan for Small Providers.

4. A project-based prioritization of investments.

5. Facility evaluation based on FTA’s TERM-Lite (Transit Economic Requirements Model Lite).

All Useful Life Benchmarks and Performance Targets can be found at: [https://www.scdot.org/travel/pdf/PublicTransit/TAM%20Plan%20Jan%202019.xlsb](https://www.scdot.org/travel/pdf/PublicTransit/TAM%20Plan%20Jan%202019.xlsb)

In addition to the above required elements, SCDOT OPT must ensure:

1. Coordination with the development of the plan with each Tier II subrecipient Executive Director; and
2. That the completed SCDOT OPT Tier II group plan is made available to all participants in a format that is easily accessible.
3. Sharing plan information with the MPOs representing urbanized area operators that participated in the group plan.

Group plan Tier II rural participants include:

- Aiken Area Council on Aging
- Bamberg County Council on Aging
- BCD-RTMA
- Lowcountry RTA
- McCormick County Sr. Center
- Newberry County COA
Subrecipient Requirements:

1. Annually, provide SCDOT OPT a complete inventory of all rolling stock and equipment with a purchase value of $50,000 or greater. Admin and service vehicles are exempted. See SCDOT website for the Asset Inventory Form.

2. Annually self-evaluation
   1. all revenue vehicles and equipment purchased with OPT administered FTA funds with a purchase value of $50,000 or greater using The OPT provided self-evaluate template. Template can be obtained at SCDOT website.
   2. facilities that were built or re-modeled with FTA funding must self-evaluate their respective facilities using SCDOT developed template based on FTA’s TERM-Lite (Transit Economic Requirements Model Lite). Template can be obtained at SCDOT website.
   3. See SCDOT website for Asset Condition Self-Evaluate Form.

OPT Requirements:

1. Update TAM Plan as needed

2. Use self-evaluation to complete analysis data collection and to set replacement priorities and make decisions.

3. Ensure statewide FTA funded assets remain in a “State of Good Repair”


Property Management Standards
Capital assets purchased with OPT federal or state-administered funds valued at $5,000 or more must be accounted for in the agency fixed asset listing or in compliance with subrecipient capitalization criteria if less than $5,000. Asset cost may include the purchase price and costs associated with getting the asset ready for use. For example, the costs of a lift or destination sign, purchased as part of a vehicle, can be included in the cost of the vehicle.
Capital assets shall be assigned an agency-unique identification number that is to be used throughout the life of the asset – the assigned number is to be used once in the life of the agency. The unique identification number is separate from the asset number.

**Federally Required Information to Maintain**
Fixed asset records must contain the federally required information as follows:

- Description, to include year, make, and model, of vehicle and equipment make and model;
- Vehicle VIN or equipment serial number, and building’s physical address;
- Acquisition date;
- Cost;
- Funding source. i.e. Section 5311, SMTF, 5339 etc. ;
- Percentage of Federal participation in the cost;
- OPT agreement number and FTA grant number under which it was purchased;
- Location;
- Use and condition; and
- Any disposition data, as appropriate (disposal date, sale price, or, where applicable, the method used to determine its fair market value).

**Depreciation Standards**
Capital items purchased with OPT administered funds are to be depreciated using the straight line method of depreciation over the useful life of an asset in accordance with generally accepted accounting principles. Vehicles purchased with OPT funds must comply with OPT identified useful life standards. Depreciation expense is not an allowable reimbursable cost if the fixed asset was purchased, in part or in whole, with federal funds.

**Asset Inventory Standards**
Equipment and other capital assets purchased with OPT funds, must have a physical inventory count performed, at a minimum, biennially (once every two years) and the results reconciled with to the subrecipients fixed asset listing. In addition, capital items with a purchase value of $5,000 or more must be reported to OPT as requested on the OPT Property Inventory Form. The completed form must include an agency authorized signature and the information contained on the form supported by the agency’s fixed asset listing.

**Utilization Standards**
To ensure that vehicles purchased with OPT-administered funds receive maximum use, OPT requires rotating vehicles within the service area. Any system failing to use its primary fleet (excluding backup vehicles) may be denied replacement or rehabilitation funds and excess fleet
may be transferred to another transit system. Rolling stock and other capital assets must meet the TAMP standards for replacement. TAMP is located on the SCDOT website.

**Out of Service Vehicles**
If a vehicle is out of service more than 30 days, transit providers must provide written notification to the appropriate SCDOT asset manager. For the period of time the vehicle is out of service, the transit provider must ensure that accounting stops the depreciation so the out of service time does not count toward the minimum useful life.

If emergency situations arise due to a vehicle being out of service for several months and the agency does not have a spare vehicle, a transit system may request authorization from the OPT to lease a vehicle short term in order to maintain needed service levels within a service area. SCDOT OPT must provide written approval prior to the subrecipient executing a lease agreement. Copies of lease agreements must be forwarded to the appropriate asset manager for maintenance in SCDOT OPT’s grant agreement file. Payment of invoices resulting from a lease agreement that did not receive OPT prior approval will require the subrecipient to refund the payment to OPT using non OPT-administered funds.

**Vehicle Rehabilitation**
Rehabilitation is an eligible capital category expense. OPT has the discretion to approve or deny rehabilitation requests. The subrecipient must submit a request to receive approval for rehabilitation to the appropriate SCDOT OPT asset manager. Along with the request, the agency must submit a completed cost benefit analysis that supports rehabilitation and two vendor quotes. If a vehicle is rehabilitated with OPT-administered funds, the useful life must be adjusted to reflect the new replacement threshold.

**Useful Life Standards**
OPT has adopted FTA minimum useful life standards per FTA Circular 5010 (series), as amended, and requires subrecipients to use those standards on all OPT funded vehicles to ensure timely replacement of vehicles. The useful life of rolling stock begins on the date the vehicle is placed into revenue service and continues as long as it is in service.

Vehicles may be replaced once the useful life has been met and with OPT prior approval, if funds are available. Incidental use service mileage does not count toward the minimum useful life mileage.
### Table 1: Minimum Service-Life Categories for Buses and Vans

<table>
<thead>
<tr>
<th>Category</th>
<th>Length</th>
<th>Approx. GVW</th>
<th>Seats</th>
<th>Average Cost</th>
<th>Minimum Life (Whichever comes first)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heavy-Duty Large Bus</td>
<td>35 to 48 ft and 60 ft artic.</td>
<td>33,000 to 40,000</td>
<td>27 to 40</td>
<td>$325,000 to over $600,000</td>
<td>12 Year, 500,000 Miles</td>
</tr>
<tr>
<td>Heavy-Duty Small Bus</td>
<td>30 ft</td>
<td>26,000 to 33,000</td>
<td>26 to 35</td>
<td>$200,000 to $325,000</td>
<td>10 Year, 350,000 Miles</td>
</tr>
<tr>
<td>Medium-Duty and Purpose-Built Bus</td>
<td>30 ft</td>
<td>16,000 to 26,000</td>
<td>22 to 33</td>
<td>$75,000 to $175,000</td>
<td>7 Year, 200,000 Miles</td>
</tr>
<tr>
<td>Light-Duty Mid-Sized Bus</td>
<td>25 to 35 ft</td>
<td>10,000 to 16,000</td>
<td>16 to 25</td>
<td>$50,000 to $65,000</td>
<td>5 Year, 150,000 Miles</td>
</tr>
<tr>
<td>Light-Duty Small Bus, Cutaways,</td>
<td>16 to 28 ft</td>
<td>6,000 to 14,000</td>
<td>10 to 22</td>
<td>$30,000 to $40,000</td>
<td>4 Year, 100,000 Miles</td>
</tr>
</tbody>
</table>

Reference: FTA *Useful Lift of Transit Buses and Vans*, Report No. FTA VA-26-7229-07.1, April 2007, Table ES-1

Incidental use service mileage does not count toward the minimum useful life mileage.

**Other Standards**

**Flood Insurance Requirement**

Subrecipients with a facility funded in part or whole with FTA funds that is located in a flood zone must have flood insurance as identified in Section 102 of the Flood Disaster Protection Act (FDPA) of 1973 and as amended. Facility structure is defined as a structure with two or more outside rigid walls and a fully secured roof affixed to a permanent site.

Subrecipients using OPT administered funds, in whole or in part, in the purchase of facilities or facility improvements must submit to OPT a signed Assurance of Flood Insurance Certificate. The certificate must be updated and submitted to OPT annually. If the facility is re-designated to a nationally declared flood zone, the certification must be updated and submitted to OPT within 30 days of the re-designation. Flood Insurance Form 800 can be obtained from the SCDOT website.

**Incidental Uses**

OPT encourages the incidental use of OPT funded capital assets to raise additional revenues for the transit system. Incidental use must be compatible with the original purpose of the contract/project. Subrecipient must obtain OPT prior approval by submitting a request for incidental use that includes a justification. Justification for incidental use of OPT funded capital assets should be based mainly on a proposed use that benefits public transportation. Proceeds from incidental use, at a minimum, must reflect appraised fair market values and is to be reported on Form 600 to reduce gross operating expenses.
Office of Public Transit may allow incidental use of assets if:

- It does not interfere with the public transit services for which it was originally obtained;
- It does not exceed 20 percent of the total use of an asset; and
- It does not interfere with continuing control over the asset.

**Charter Service**
Capital assets purchased with OPT-administered funds may be used for charter service under certain conditions if the exception conditions are met. See Chapter 10 Charter Service for more information.

**Meal Delivery**
Capital assets purchased with OPT-administered funds may be used for meal delivery if the delivery service does not conflict with providing public transportation service or reduce service to the general public. SCDOT/OPT expects the nutrition program to pay the operating costs attributable to meal delivery. OPT-administered funds cannot be used to purchase special vehicles used solely for meal delivery.

**Contracted Services**
Capital assets purchased with OPT-administered funds may be used to provide contracted services. Services must not replace or minimize the primary mission of the subrecipient to provide public transportation service to the general public. OPT funded vehicles that still have a useful life and have not been released by OPT must be used to provide transportation services within the subrecipient’s designated service area and are applicable to contracted services. Transportation within the designated service area includes transportation of an individual from the designated service area to a facility or location outside the service area and the return trip. A transit provider is allowed to pick up an individual outside of its service area if it is part of a coordinated trip to a designated location.

The subrecipient should ensure that contracted rates for transportation services covers all anticipated expenses to include, but not be limited to, maintenance of vehicles and any administrative overhead. Therefore, transit providers must ensure that all transportation expenses associated with providing the service are allocated to contracts in a method that is based on benefits received. See Chapter 6 Direct Cost Allocation Methodology.

**Use Agreement**
All capital assets purchased with Office of Public Transit-administered funds must be in direct control of the subrecipient. OPT reserves the right to approve or disapprove all use agreements that involve items purchased with the Office of Public Transit-administered federal and state funds.
The subrecipient must provide justification that the best use of an asset should include usage under a use agreement. If the justification is accepted, subrecipient must address the following issues, at a minimum, with the subcontractor before the use agreement is signed:

- Drivers of the transit system or drivers from another agency may drive the vehicles as long as insurance coverage is adequate for the use(s);
- The vehicle use agreement must state who is responsible for insurance, maintenance, drivers, emergencies, backups, etc.;
- The vehicles must be operated as open to the general public without discrimination;
- Incidental service ridership and revenue miles must be reported separate from the service open to the general public;
- Driver licensing requirements; and
- Drug and alcohol testing requirements.

The Office of Public Transit must be notified of the location of assets while in use by another agency. The subrecipient remains responsible for compliance with all state and federal rules and regulations.

**Real Property**

Real property is defined as land, including affixed land improvements, structures and appurtenances (i.e., right, restriction, or covenant attached to property). It does not include movable machinery and equipment. Subrecipients must comply with applicable federal, state, and local regulations for purchase, use, maintenance requirements. Subrecipients must comply with reporting and disposal OPT’s Group Tier II TAMP.

The real property in the fixed asset listing, at a minimum, must include:
- fixed asset system number,
- property address,
- original purchase date,
- original acquisition costs,
- OPT contract/agreement number,
- Federal percentage of participation,
- Description, cost, date, of improvements,
- summary on any conditions on the title,
- current use of the property,
- and anticipated disposition or proposed action,
- if purchased with OPT funds, copy of city/county stamped Covenant not to Convey.
Disposition of Assets

Managing the disposition of assets purchased with OPT-administered funds is part of SCDOT OPT’s management and oversight responsibilities of subrecipients. The South Carolina Department of Transportation, Office of Public Transit has established uniform standards for disposal of assets and the release of vehicles purchased with SCDOT/OPT-administered funds. SCDOT reserves the right to conduct a vehicle analysis on a fleet when the request for disposition involves vehicles. Asset transfers and dispositions due to accidents must also comply with asset disposal requirements as appropriate. Direct recipients of FTA funds must comply with FTA disposal requirements.

Disposition of assets must comply with the OPT Group Tier II TAMP, as appropriate. Transit systems are required to dispose of capital assets purchased, in part or in whole, with OPT-administered federal funds that are no longer needed for the purpose for which they were acquired. Disposition could include the transfer of, sale of, and/or replacement of assets. This could include assets that are no longer used to capacity due to loss of contracts, service reductions, changes in the nature of services, or dissatisfaction with asset performance.

The request for capital asset disposal, asset transfers and vehicle title release must be submitted to OPT Asset Manager using OPT Form 700A – Asset Release Request. The form is located on the SCDOT website. The form must:

- Include two appraisals from qualified businesses on business letterhead, except when the asset is being transferred; and
- Be dated and signed by the executive director or a designee approved by the executive director.

The Asset Manager shall provide a written response on the status of the request to include use limitations for retained vehicles, and other guidance deemed necessary. The subrecipient must retain supporting disposal documentation based on OPT or the subrecipient’s record retention policy, whichever is more stringent.

Vehicle Title Release

When a vehicle for which OPT holds the title has reached its useful life and the vehicle will no longer be used to provide public transportation services, the subrecipient must submit Form 700A to the appropriate Asset Manager to request release of the title. Submission of Form 700A must:

- Include two appraisals from qualified businesses on business letterhead, except when the asset is being transferred;
- Include completed “Vehicles” section that requires the vehicle description (make, model, and year), the VIN, original purchase date and price, contract and/or grant number, and the percentage of federal participation;
- Identify total vehicle mileage; and
• Include in the “Reason for Release/Disposal” whether the vehicle will be sold due to replacement or other issue or will be retained for non-public transportation services or for scrap.

Once the title is release the public transportation subrecipient cannot use the vehicle to provide public transportation services. The vehicle can be used as part of the contingency fleet and in non-public transportation services.

**Vehicle with Extenuating Maintenance Problems**

Outside the application process, the subrecipient must submit Form 700A – Asset Release Request for disposal to the appropriate OPT Asset Manager. In the Reason for Release/Disposal section the agency must include a justification that, at a minimum, must identify:

• The number of days in the shop within the past 12 months;

• The defective part(s);

• The total cost of repairs since the vehicle was purchased; and

• The original vendor delivery date.

The following must be submitted with Form 700A:

• Copy of repair bills over $1,000.00; and

• Copy of maintenance records of the identified vehicle.

The OPT Asset Manager shall provide a written response to the request. SCDOT reserves the right to conduct an on-site inspection of the vehicle.

**Asset Sale**

Outside of the application process, a subrecipient must obtain prior approval to dispose of a capital asset purchased with OPT administered funds on Form 700A – Asset Release Request. The form must be submitted to an OPT Asset Manager along with two appraisals from qualified businesses on business letterhead. The Reason for Release/Disposal section of the form is to include a justification for disposal of assets that have reached their useful life or a justification for early disposal of an asset that has not met its useful life.

OPT approval of the sale of a vehicle due to replacement may require the subrecipient to sell the vehicle within 90 days after receipt of the title. If the vehicle is not sold within the specified time frame and no extension was granted by OPT, the title must be returned to OPT.

If sale proceeds are less than $5,000, the percentage of federal interest associated with sale proceeds must be identified as program income on the Form 600 Request for Payment Invoice form when requesting reimbursement from OPT. However, if the vehicle was purchased using OPT funds and proceeds exceed $5,000, the federal share must be returned to OPT within 30
days of the sale. The transaction to record the vehicle sale and resulting gain/loss must be in accordance with generally accepted accounting principles (GAAP).

**Real Property Disposition**

The subrecipient will prepare and update a real property excess inventory listing for all property purchased with OPT administered federal funds that are no longer required for transit purposes for which it was originally purchased. Subrecipients must obtain prior approval from OPT before disposing of real property using Form 700A – Asset Release Request. In determining if real property is no longer needed, OPT may seek FTA guidance/concurrence. OPT will notify the subrecipient of OPT’s determination on the use of the excess property for other purposes or disposition.

**Real Property Disposition Options**

OPT may consider the following options, per FTA Circular 5010 1E and as amended, concerning excess property,

- Transfer real property to a federal grant program that has a consistent purpose as the original real property use approved by OPT.
- Sell real property, reimburse OPT, and retain property. Reimburse OPT the original grant’s federal percentage of participation of the greater of (1) the competitive market value less reasonable sales costs or (2) straight line depreciated remaining book value of the property, land, and any improvements less reasonable sales costs.
- Sell real property and apply sales proceeds less reasonable sales costs to replacement property under the same program as the original purchase (49 CFR 18.31 as amended)
- Sell real property and apply net proceeds to an open grant. If the subrecipient has an open capital grant for the purchase of real property, it may apply sale proceeds less reasonable sales costs to the open grant.
- Sell real property and apply sale proceeds less reasonable sales costs to another OPT eligible OPT capital transit project. (49 USC 5334(h)(4) as amended
- Reinvest insurance coverage proceeds due to property damage into the property or reimburse OPT the percentage of participation in the property.

OPT may consider other subrecipient proposed options on a case by case basis. Fair market value may be determined by a realtor/commercial appraisal.

**Transfer of Assets**

Managing the transfer of federally funded capital assets is part of SCDOT/OPT’s management and oversight responsibilities. South Carolina Department of Transportation, Office of Public Transit has established uniform standards for the transfer of assets purchased with SCDOT/OPT administered funds. OPT may confer with FTA on the transfer of assets. The transfer of assets requires that the transfer is supported with appropriate transfer documentation. If discrepancies exist between the language in this section and applicable federal and state regulations and statutes, the federal statute/regulation prevails. Direct recipients of FTA funds must comply with FTA requirements.

Asset transfers may be initiated when:
• OPT determines that the asset is underutilized and initiates the transfer process. For vehicles, OPT may consider excessive inventory or low usage of vehicles that are not part of the regular fleet; or

• An OPT subrecipient may submit a request to OPT to have the asset transferred.

Asset Transfer Approval Process

1. The transferring agency must submit a request to transfer assets on Form 700A – Asset Release Request to the SCDOT OPT Regional Program Manager. With Form 700A, subrecipients must submit:
   o Two appraisals on vendor letterhead with the form; and
   o Most recent fixed asset listing that identifies the federally required information for the assets to be transferred. The document must include the federal participation, OPT contract number, purchase price, vehicle identification number (VIN) for vehicles, serial number for equipment or physical address for facilities as well as depreciation.

2. Regional Program Manager will coordinate with the appropriate Asset Manager.

3. Asset Manager will inspect the asset with the transferring agency to determine condition and reliability of the asset.

4. OPT will determine if the asset can be transferred and if it can, will identify receiving agency. (Note: Recipient of transferred asset may be based on statewide needs.)

5. Transferring agency must submit to OPT:
   o A resolution from the transferring agency governing body stating the need to transfer the assets; and
   o A resolution from the receiving agency governing body stating their willingness to accept the asset being transferred and identifying the scope of work regarding asset usage.

6. The Regional Program Manager will forward the fixed asset listing, appraisals and transfer information to the responsible financial analyst. The financial analyst will verify asset book value to be used as the value of the transferred asset.

7. The Regional Program Manager will coordinate with the contract and grants manager. Assets transferred with a remaining federal interest $5,000 or more or have a remaining useful life are required to be added to an existing grant or to a new grant as a zero-dollar project.

8. OPT will prepare an Asset Transfer Agreement that the receiving agency and OPT must sign and date.
9. The Grant Manager shall update the appropriate grant accordingly.

**Transfer of Vehicles**

Upon completion of a successful inspection of the vehicle and OPT concurrence to allow the transfer, the asset manager will ensure the following:

- The **Asset Manager** will sign the vehicle title as lienholder and OPT as authorized agent thereby releasing the lien from the transferring agency.

- The **transferring agency** will complete and sign the title transferring the vehicle to the receiving agency and must identify SC Department of Transportation as lienholder on the back of the title. OPT will retain a copy of the old title that has been released.

- The **receiving agency** will sign the title; will complete and turn-in the old title to the SC Department of Motor Vehicles (DMV); and will complete DMV Form 400 to obtain a new title for the vehicle that identifies SCDOT as the lienholder on the new title.

- The **receiving agency** must provide evidence of insurance to OPT prior to taking possession of the vehicle.

**Transfer of Facilities & Other Assets**

Upon completion of a successful inspection of the vehicle and OPT concurrence to allow the transfer, the asset manager will ensure the following:

- Any legal real estate documents required for the asset transfer is completed as required by federal, state, county and/or local statutes and regulations; and

Any other documents or actions required by applicable statutes and regulations are completed. This will include resending the Agreement Not to Convey or Encumber document, deeding the property to the receiving agency. See SCDOT website for a sample of this agreement.

**Receiving Agency – Asset Transfer**

The receiving agency is responsible for:

- Submitting to the transferring agency the resolution stating the receiving agency’s willingness to accept the asset and all obligations. Must also submit a document identifying the scope of work regarding asset usage;

- Signing Form 700B - Asset Transfer Agreement between OPT and the receiving agency; and

- Adding the transferred asset to the fixed asset listing using the transfer information provided by OPT.
Make-Ready Expenses
Make-ready expenses are costs incurred to bring the capital asset to the location and condition needed for it to operate in the manner intended and costs associated with returning an asset to its full functional serviceability. These expenses may be eligible for reimbursement. Such expenses include, but are not limited to, the cost of repainting the asset to the agency’s color scheme, adding a logo, and other costs associated with making the asset ready for use.

Accident Reporting Requirements
The Office of Public Transit places a high priority on the safety of transit personal and patrons. OPT provides guidance to our subrecipient(s) to ensure compliance with all applicable laws and regulations. When an OPT-funded asset is involved in an accident and/or OPT-funded equipment fails/malfunctions, the subrecipient must notify the OPT asset manager no later than 24 hours after the incident/accident.

What to Report
- An accident resulting in a fatality, to include equipment malfunction;
- An accident where immediate medical treatment is given at the scene or where persons are transported to a medical facility; (This includes equipment failure/malfunction.)
- An accident that results in a tow-away of OPT funded vehicle;
- An accident resulting in property damage to OPT-funded assets greater than $1,500.00; or
- An accident resulting in property damage to non OPT-funded assets greater than $1,500.00.

Supporting Documentation
The following documents must be sent to the asset manager:

1. Agency internal accident report to include:
   - Date, time and location(s) of the incident/accident;
   - A brief narrative of the incident/accident to include name(s) of injured, nature of injury, if and where medical care was provided; and
   - A description of the asset(s) involved, i.e. vehicle make, model and year or facility address.

2. South Carolina DMV Form FR-10 for vehicle related incidents.

Insurance Settlements
When a vehicle funded through SCDOT has been in an accident, subrecipients must comply with OPT Accident Reporting Requirements. If the affected asset will be disposed of or taken out of
service, subrecipients must comply with disposal of assets requirements. Direct recipients of FTA funding must follow FTA insurance settlement and asset disposal criteria.

If the OPT-funded asset has not meet the useful life threshold, then the subrecipient may be required to return to OPT a portion of the proceeds related to the remaining federal and/or state interest or may be required to apply a portion of the proceeds to the public transportation program. The remaining federal share will be based on the remaining book value or insurance proceeds, whichever is greater.

**Insurance Proceeds – Asset Replacement**

If an agency receives insurance proceeds for the replacement of an asset, the subrecipient may use the proceeds to purchase a similar asset with OPT concurrence, prior to asset replacement. Subrecipients must follow disposal requirements identified in the Disposition of Assets section of this chapter.

- If the asset has not met the useful life threshold and a replacement is not purchased, the federal percentage of participation of the purchase must be returned to OPT.
- If the vehicle has met the useful life criteria but is not replaced, insurance proceeds are to be used in the public transit program.
- When an OPT-funded vehicle that has not met the useful life threshold is declared a total loss by the insurance adjustor/company, the insurance proceeds, based on federal and state percentages of participation in the purchase, will be returned to SCDOT.
- If no local funds were used to purchase the vehicle, then total proceeds received must be returned to OPT.

**Insurance Proceeds – Asset Repair**

If an agency receives insurance proceeds to repair an asset purchased with OPT-administered funds, the asset must be repaired to the point where it is safe and sound. If the subrecipient does not use the full amount of the settlement to repair the damages and that asset has not met its useful life, the remainder of the proceeds must be put back into the public transit program.

**Insurance Proceeds – Refunded to OPT**

If the OPT-funded asset has not met its useful life and/or the insurance proceeds are more than $5,000, then insurance proceeds may be required to be submitted to OPT. Insurance proceeds that are required to be refunded to OPT must be submitted by check to the Regional Program Manager. The check and appropriate information will be submitted to the OPT Grant Manager who will ensure appropriate records are updated.

**Maintenance Standards and Policies**

SCDOT OPT shall require all subrecipients who use assets purchased with OPT-administered funds to submit a comprehensive maintenance plan that includes, at a minimum, original equipment manufacturer (OEM) procedures for maintaining vehicles, facilities, and ADA accessibility features. The SCDOT Comprehensive Preventive Maintenance Program template is located on the Office of Public Transit website.
Subrecipients shall allow SCDOT access to capital assets and maintenance records in order for OPT to monitor maintenance and performance. OPT shall have the right to perform announced and unannounced inspections and shall be permitted to view and copy maintenance records, as deemed necessary. SCDOT may request subrecipient personnel to drive vehicles to evaluate the condition of vehicles and equipment.

Vehicle Policy

Vehicle Maintenance Records
Subrecipients shall maintain an up-to-date vehicle file for each vehicle containing, at a minimum, the following information:

- Make and model of vehicle;
- Vehicle identification number (VIN) and fleet number for vehicle;
- Serial number for equipment;
- Vehicle repair work orders complete with date and vehicle mileage;
- Preventive maintenance records complete with date and vehicle mileage;
- Pre/post trip inspection sheets; and
- Warranty work orders complete with date and vehicle mileage.

Warranty Claim Reports
Subrecipients with capital assets funded by OPT are required to track all warranty claims and submit these claims to the designated regional OPT Asset Manager monthly. OPT will monitor monthly reports, at a minimum, for recurring issues, trends, and defects. The Warranty Claim Report, Form 900 is located on the OPT website.

Primary Requirement
Monthly warranty claim reports must include:

- Any warranty repair(s) made to any asset whether installed by the manufacturer, contractor, or authorized dealer.

OPT Funded Vehicle Claim Reports
In addition to the aforementioned, OPT funded vehicle reports must include:

- Vehicle Make and Model
- VIN
- Description of repair
- Authorized Repair Vendor
- Location of Vendor Facility where warrantied repairs were made
**OPT Funded Facilities and/or Facility Improvements**

In addition to the primary requirement, OPT funded facilities and/or facility improvements covered by contractor warranties must report:

- Description of repair(s)
- Contractor performing repairs
- Address of the facility where work is performed

**Recalls**

Subrecipients must submit a copy of recall correspondence to the agency’s OPT Asset Manager within seven days of receiving recall notifications.

**Preventative Maintenance Schedule**

The subrecipient shall insure that capital assets under the agency’s control are regularly checked, inspected, and maintained, to ensure capital assets are operated in a safe and effective manner. The preventive maintenance schedule shall indicate the types of inspection and maintenance to be performed and the date (mileage for vehicles), that these operations are due.

Vehicles are to be maintained in accordance with OEM (original equipment manufacturer) guidelines and warranty requirements as stated in the OEM’s owner’s manual. Facilities must comply with all applicable state and federal regulations.

**“Late” and “Missed” Preventative Maintenance (PM)**

The subrecipient shall perform all OEM-required preventive maintenance at OEM required intervals. Any PM that is more than 500 miles past the OEM required interval will be considered “LATE” PM. Any PM that is more than 1,000 miles past the OEM regular interval will be considered a “MISSED” PM.

**Equipment Maintenance Standards**

All components of the vehicle bodies, installed equipment, and all mechanical, electrical, fluid, air, and/or hydraulic systems shall be maintained in a safe and fully functional condition. Subrecipients shall insure, at a minimum, that:

- All ADA wheelchair lift-related equipment shall be cycled and inspected daily and PM will be performed to insure all wheelchair lifts are operating with a high degree of safety. All PM will be performed at OEM recommended levels i.e. 750 cycles, 1500 cycles, 3000 cycles, 4500 cycles, etc.
- Damage shall be repaired in a professional manner in accordance with industry standards. Damage includes, but is not limited to, body damage, glass and all vehicle components.
- Heating, ventilation, and air conditioning (HVAC) systems shall be maintained in accordance with industry standards to insure passenger compartment temperature is comfortably maintained. Subrecipient shall maintain the A/C system in operable condition thought the entire year.
• Vehicle interior and exterior shall be routinely cleaned and maintained in a presentable and professional manner.

• All emergency equipment shall be maintained in proper working condition according to all applicable state and federal regulations.

**Out of Service**

OPT shall consider a vehicle that is unfit for revenue service to be out of service. A vehicle that is found unfit for service will be taken out of service and shall not be returned to service until defects are corrected. A vehicle shall be considered unfit if any of the following conditions are found:

• Wheelchair lift or any ADA accessibility related equipment is not functioning properly;

• Air conditioning is not working according to industry standards;

• Tires have a tread depth less than the state and federal recommended levels;

• Emergency equipment, i.e. exits, doors, windows, are inoperative; and/or

• Any condition that is not in compliance with applicable federal and state regulations.

**Facilities Policy**

**Facility Maintenance Standards**

Subrecipients must develop a preventive maintenance inspection checklist as a guide to agency daily/monthly facility inspections. Subrecipients may adopt all or a portion of the OPT recommended checklist. Checklist is located on the SCDOT website.

Facility inspections should include, at a minimum:

• Elevators and stairwells;

• Safety equipment;

• HVAC units;

• Lighting;

• ADA accessibility, as appropriate;

• Housekeeping issues such as cleanliness, etc.; and

• Corrections to reported issues.
Chapter 9: Construction or Renovation of Facilities

Background
The construction or renovation of project facilities may be necessary to provide for an efficient and effective coordinated public transportation system. Depending on the federal funding source, the costs for construction or renovation of transit facilities, including design, engineering, and land acquisition, are generally eligible capital expenses following the approval of environmental documentation by SCDOT and FTA. The responsibility for construction management and oversight lies with the subrecipient.

Real property must be acquired, managed, used and disposed of in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, or as amended (Uniform Act or URA) (PL 91–646) and 49 CFR Part 24, the implementing regulation. Additional guidance is found in FTA Circular 5010.1 (as amended).

The objective of the Uniform Act is to ensure equitable treatment of property owners of real property to be acquired with Federal and/or federally-assisted projects; that those property owners displaced by a federally-supported project be treated fairly, consistently, and equitably; and that acquiring agencies implement the regulations in a manner that is efficient and cost effective. The regulations implementing the Uniform Act are very specific in naming the means to achieve the regulations’ objectives.

To ensure eligibility for Federal funding, the subrecipient should follow the typical process sequence when acquiring real property for a project:

- National Environmental Policy Act (NEPA) Approval → Title Search → Appraisal → Appraisal Review → Just Compensation Determination → SCDOT Concurrence → Offer to Owner → Settlement

Construction Program Guidelines

The following facility construction guidelines have been developed to assist transit providers that receive both Federal Transit Administration (FTA) and the State Mass Transit Funds (SMTF) from the South Carolina Department of Transportation (SCDOT), Office of Public Transit (OPT). These guidelines are in accordance with FTA Circulars 4220.1F for third party contracting and 5010.1D for grant management guidelines, any revisions thereto, and state laws governing construction projects 11-35-3005 in South Carolina. If federal funds are used, applicable federal program requirements and clauses must be followed.

Types of Construction

New Construction
New construction takes place when a piece of land is purchased and a new transit facility is built on the property.
**Facility Renovation**

Facility renovation is accomplished when purchasing an existing building or updating current offices occupied by the transit provider or used in the provision of public transit.

No pre-planning activity is required for an existing office building unless significant structural improvement is anticipated, such as an addition.

**Feasibility Study**

The transit provider may retain a consulting firm to determine the most cost effective way to build a desirable facility utilizing an appropriate solicitation process. The study may include comparisons on site location and new construction vs. purchase and renovation. Alternative analysis of other options should also be considered.

At a minimum, the study will analyze current needs and anticipated future needs. The study may also consider site sensitivity and preservation of historical elements where appropriate. Other relevant environmental and material analysis should also be documented and shall become part of the environmental document requiring OPT review.

**Planning Activities**

Planning activities in advance of the construction or renovation of rural public transportation facilities are an eligible Section 5311 expense. These may include, but are not limited to, feasibility studies, alternative site analyses, environmental assessments, environmental impact statements, or other studies necessary as a prerequisite to undertaking the project.

Planning activities may be funded from Section 5311 project funds or, at the discretion of SCDOT, other federal or state funds may be used for planning, if planning activity is an eligible expense under such a program.

Transit providers must satisfy all local requirements such as county commissioners’, city council, and governing board approval and availability of local matching funds prior to submitting an application for funding.

All environmental issues and two appraisals must be completed. Project must also be identified in the Statewide Transportation Improvement Program (STIP) and local TIPs.

**Application for FTA funding (Announcement)**

Before SCDOT will make recommendation for funding allocation utilizing federal funds, the following provisions must be met:

- Public involvement processes must be conducted and documented;
- Certifications and Assurances must be signed and current;
- Civil rights policies must be current; and
- Project must be listed in an approved TIP and in the STIP.
Assurances, Evaluation and Compliance
The assurance for Real Property Acquisition and Relocation Form, located at the end of this chapter, must be submitted as part of the application process in order for the application to be considered complete.

Prerequisites for Project Funding
OPT will submit the following documents to the Federal Transit Administration (FTA) Region IV office for review and concurrence prior to funding commitment:

- Site selection analysis;
- Environmental Assessment as required by NEPA;
- Appraisal of property; and
- Cost Analysis.

Site Selection
A consulting firm may be retained to compare various properties to determine the most suitable location. As well, a commercial real estate firm may also be retained to assist with the evaluation and location of the property or facility. If a donated property is being considered, such property must be appraised at the current fair market value, with an accompanying review appraisal.

Environmental Review
An environmental review is necessary for new construction or a building purchased for renovation. All proposed project sites must be evaluated and assessed to determine impact, if any, on wetlands, streams, high biotic potential, livable communities’ considerations and federally protected threatened or endangered species and their habitats. A consulting firm may be used to determine if there are any environmental issues that need to be addressed prior to construction.

An environmental review must be completed and FTA’s approval received prior to committing federal funds. Federal funds will not be made available for any facility purchase or construction until the environmental documents are reviewed and approved by FTA.

Environmental issues may need to be addressed if any of the following exist:

- Property is owned by the state or located on a national historic site; or
- Pre-existing environmental issues, e.g. if underground tanks and/or wet lands are present.

If property has already been purchased by the provider, and an environmental review or study has been completed, the document(s) must be submitted to OPT for review and subsequent federal approval.
Review of Environmental Documentation

The OPT review of environmental documentation may take 4 - 6 weeks depending on the complexity of the project. A copy of the survey or plot map and description of the property should be furnished to OPT for review. Additional information such as a feasibility study, appraisals, site plan and other relevant information are needed to assist SCDOT with the review.

If the environmental review indicates a “finding of no significant impact” (FONSI), the project will be able to proceed to the next step.

If the review indicates an adverse environmental affect, an environmental study including an “environmental impact statement” (EIS) may be required or an alternative site may be selected. Transit providers must certify all federal and state environmental requirements are met before commencing work on a facility project for activities to be deemed eligible for reimbursement.

Cost Analysis

A cost analysis shall be completed by the subrecipient as part of the procurement process. Plans and documentation shall be submitted to OPT for review. SCDOT staff will assist OPT staff in reviewing the designs. Approvals will be issued by OPT in addition to a notice to proceed.

Pre Award Review

All construction or real property acquisition-related activities over $10,000 shall require pre-award review and approval by OPT before commencing work.

Activities Requiring Pre-Award Review and Approval

The following activities require the OPT’s pre-award review and approval:

- Land acquisition;
- Independent cost estimate (cost and price analysis);
- SCDOT as lien holder to the property (FCPG-);
- Architect or professional engineer selection;
- New construction, renovation, or improvement bids and contract award notifications.

The Facility Checklist is used to assist SCDOT and the subrecipient in managing the development and oversight of an approved facility project. OPT will request assistance from other SCDOT offices as deemed necessary with the review and approval of the activities listed above.

The transit provider shall ensure that state and/or local reviews and approvals are received from appropriate state and/or local agencies including approval by local building inspector as may be required before application for funding is submitted.

Facility Checklist

A facility Checklist will be used by SCDOT and the subrecipient for proposed and approved facility construction or renovation project. Using the Facility Checklist (which is located on OPT website) as a guide, all construction or renovation activities shall require a pre-award review and approval by the SCDOT Office of
Public Transit. This will allow for appropriate project consultation, planning and guidance to be afforded to the subrecipient prior to local or state commitment of federal or state funds. Funding consideration for any support of a construction or renovation project is dependent on availability of funds, in addition to other federal and/or state guidance that affects the dissemination or use of the funds. When federal and/or state funds are used, applicable federal and state guidelines and requirements must be followed in accordance with FTA Circulars 4220.1 and 5010.1 (as amended), and any revisions thereto.

**Subrecipient Responsibilities**

The subrecipient’s responsibilities are to:

- Provide continuous administrative and management direction of project operations;
- Submit a site selection analysis, two appraisals (with one being a review appraisal) and complete a categorical exclusion checklist or full environmental assessment, whichever is applicable;
- Submit progress reports, to OPT at different phases of the project and provide updates as necessary;
- Prepare and submit a cost allocation plan prior to incurring costs if seeking reimbursement for these costs. Update and retain these approved documents for OPT review during compliance and oversight review;
- Conduct cost estimate analysis and keep expenditures within the latest approved project budget;
- Ensure compliance with OPT/FTA requirements relating to consultants, contractors, and subcontractors working under approved third party contracts or inter-agency agreements;
- Provide, directly or by contract, adequate technical inspection and supervision by qualified professionals of all work in progress;
- Ensure conformity to contract agreements, applicable statutes, codes, ordinances, and safety standards;
- Maintain the project work schedule agreed to by OPT and the subrecipient and constantly monitor project activities to ensure that schedules are met and other performance goals are being achieved;
- Submit requests for payment reimbursement on a monthly basis for activities completed in accordance with the current approved budget;
- Account for federal and state property associated with the project and maintain property inventory records;
- Arrange for an annual independent organization-wide audit in accordance with 2 CFR Part 200, Subpart F; and
- Submit a signed, executed copy of the ‘Agreement Not to Convey or Encumber’ (See OPT website for sample form).

Project Funding

Transit providers may request federal or state funding assistance for facility projects from OPT during the annual application process. Facility projects shall be prioritized based on availability of funds including local matching funds and projects must be financially feasible. OPT will evaluate all facility project requests on an annual basis to determine if the project is financially feasible. OPT staff will review funding requests and make recommendation to the SCDOT Commission. Funding assistance for federal or state funds must be approved by the SCDOT Commission.

Small renovation projects may be funded in full or in part, if funds are available. FTA oversight requirements will apply to all projects funded in whole or in part with federal funds. OPT must receive approval from FTA before committing FTA funds to the project.

Grant agreements and approved budgets must be in place before project commencement, unless pre-award authority was granted. All grant agreements will be signed by the Deputy Secretary for Intermodal and Freight Planning and one copy of the executed grant agreement, shall be mailed to the subrecipient.

Phases of Construction

Funding for new construction or large renovations must be accomplished in phases because of funding limitations.

**Phase I** - may include funding for feasibility study, environmental study, local land purchase, appraisal, survey fees, attorney fees, and architectural & engineering firm (A&E) costs.

**Phase II** - activities funded under Phase I must be completed, before funding for Phase II is considered. Phase II may include funding for additional land purchase, additional A & E, and specification of materials.

**Phase III** - project management and construction.

Phase I

**Land Acquisition**

Real property acquisition and relocation activity must be conducted in accordance with the requirements in the Uniform Relocation Assistance and Real Property Uniform Relocation Act of 1970, as amended (Uniform Act), and codified in 49 CFR, Part 24. FTA guidance states, “The objective of the Uniform Act is that owners of real property to be acquired for Federal and Federally assisted projects be treated fairly and consistently; that persons displaced be treated fairly, consistently and equitably; and that acquiring agencies implement the regulations in a manner that is efficient and cost effective.” Subrecipients may not incur costs prior to receiving approval from SCDOT.

Any Section 5311 construction or renovation activity which involves the acquisition of land or the displacement of any persons, firms or businesses shall be subject to the provisions of the 49 CFR Part 24 and the regulations of FTA Circular 5010.1(as amended), "Grant Management Requirements."
At least two independent land appraisals must be completed by licensed South Carolina real estate appraisers within 3 months of presenting information to SCDOT for review and consideration.

One (1) copy of the appraisal documentation and a review must be submitted to OPT for review. The appraisal review and concurrence typically takes about 2-4 weeks. OPT will issue a letter indicating that the transit provider may proceed with the offer to purchase the land. A copy of the “Offer to Purchase” shall be submitted to OPT for review before the subrecipient may enter into a contract to purchase land.

Based on SCDOT review, should it be determined that the proposed land is not recommended for purchase, SCDOT will work with the subrecipient and, at a minimum, provide alternative recommendations for land acquisition and consideration.

Real property must be acquired at its current fair market value, established via independently prepared appraisals. One appraisal and a reviewer's analysis are required and must be sent to SCDOT.

In addition, the SCDOT requires the preparation of an environmental assessment completed by a certified professional environmental firm.

Incidental uses of real property which may raise additional revenues for the transit system or, at a reasonable marginal cost, enhance system ridership, are subject to the regulations contained in FTA Circular 5010.1. Incidental uses also require SCDOT/FTA review and approval. Please see Chapter 8, ‘Asset Management’ for more information on incidental use.

Selection of a Registered Architect or Professional Engineer - Request for Qualifications (RFQ)
Projects shall follow the State Procurement Code in order to retain a qualified registered architect or professional engineer. The subrecipient will issue a RFQ indicating requirements for service and provide a description of the project. Selection shall be based on qualifications and competence. Price negotiation is conducted with the most qualified offeror.

OPT shall review and approve the selection process prior to the transit provider entering into a contractual agreement with the selected architect or engineer.

Design Phase
A registered architect or engineer must prepare plans and specifications in accordance with federal and state laws applicable to construction related projects. Regardless of the project cost, all plans and specifications must address the following:
• Plan must include major structural or foundation changes;

• Plan must include “major structural change in framing or foundation support systems”; and

• Plan must include construction of, or additions to public buildings.

Separate specifications must be drawn for each of the following four categories regardless of estimated project cost or as may be deemed applicable by local building inspector.

• Heating, ventilating, air conditioning and accessories.

• Plumbing and gas fittings and accessories.

• Electrical wiring and installations.

• General work relating to the erection, construction, alteration or repair of the building that is not included in the first three categories.

**Schematic Design Phase**

The architect or engineer shall prepare a schematic phase which will include:

• A scaled site plan showing location and the size of the facility in relation to existing buildings, roads, walkways, utility services, etc.;

• Single line drawings of the floor plan, including mechanical and electrical rooms, service areas, etc.;

• A general description of the project based on the designer's studies indicating the construction materials; framing systems; and mechanical, electrical and plumbing systems; and

• A statement of probable construction cost based upon area, volume or other appropriate units. (Estimates shall include a separate item for site work, utility extensions and other items outside the structure’s footprint.)

**Design Development Phase**

Architect or engineer shall prepare detailed plans and specifications which will include:

• Design development documents (DDDs), including all basic elements, systems and materials to be used in the project; and

• The designer shall review and submit required documents to the local building inspector prior to submitting documents to OPT.

The design development phase shall include soil investigation reports and all other reports or studies relative to the project. A statement of probable construction cost based upon area, volume or other appropriate units will be provided.
Plans and documentation shall be submitted to OPT for concurrence review. OPT will review and offer concurrence to the design documents. Approval will be issued by OPT in addition to a notice to proceed to next phase. Additional reviews may be necessary, if required by law.

Phase II

**Bidding & Construction Management**

In addition to plans and specifications, the designer is responsible for filing all permits, conducting the bid process, oversight of activities during construction and final closeout. A construction management consultant instead of the designer may monitor and/or manage the construction phase of the facility.

Letting of bids shall be conducted in accordance with applicable state statutes. Project should follow and complete procurement checklist for formal bids or informal bids whichever is applicable.

A retainage of 5% may be withheld pending project close out or final audit.

**Disadvantaged Business Enterprise Participation**

The designer shall include in any solicitation, certified disadvantaged business enterprises. SCDOT may require evidence of good faith effort to attract DBE firms on ALL construction projects. OPT may require project specific race-neutral goals. The subrecipient will be required to provide this information to OPT prior to the bid being let or solicited for informal bids. DBE participation reporting will be tracked through the review and payment of invoices.

**Bid Tabulation**

Bid tabulation and a formal request for funding should be submitted to OPT for review after bids are opened. Concurrence by OPT is required prior to entering into a contract with recommended contractor. The Facility Checklist and applicable documentation must be submitted to OPT for review and approval. Third party contract documents must also be reviewed by OPT to ensure that applicable federal clauses are included. Once the review is completed and approved by OPT, the subrecipient may enter into a contract with the contractor.

**Construction Document Phase**

The designer shall prepare working drawings and specifications in detail including materials; workmanship; finishes; mechanical and electrical systems; special equipment; site work; utility connections and services; bidding information; proposal, contract and bond forms; general and supplementary general conditions of the contract; and any and all other information required for receiving of bids on the project.

A cost estimate shall be submitted using quantity take-offs of major components and projected unit costs. Overhead, profit, taxes, insurance, etc., shall be included. Estimates must be prepared for all bid items, including alternates. A complete tabulation shall be furnished showing the breakdown of total appropriated and/or authorized funds. The designer is responsible for bringing the project within the budget as set forth in the design contract.
A soil and erosion control plan must be filed with the appropriate agency. A copy of all permits received will be submitted with documents for review.

**Civil Rights Requirements**

It is the responsibility of OPT to ensure that subrecipients are in compliance with all civil rights program requirements that apply to OPT/FTA assisted projects and activities. The applicable civil rights program areas are: Title VI of the Civil Rights Act of 1964; Equal Employment Opportunity (EEO); and Disadvantaged Business Enterprise (DBE) Program. Depending on the size and scope of the project, a project specific DBE goal may be required to ensure that SCDOT-certified DBEs are given opportunity to bid on work. Compliance with the Americans with Disabilities Act (ADA) is also required. These program areas are detailed in the Master Agreement.

**Labor Protections**

**Davis-Bacon Act**

For FTA programs, 49 U.S.C. 5333(a) applies Davis-Bacon Act prevailing wage requirements. This provision applies only to construction projects. In the event that a project involves construction, Section 5333(a) of the act requires the Secretary of Transportation to take such action as may be necessary to ensure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed with the assistance of loans or grants under this act be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended. The secretary may not approve any such loan or grant without first obtaining “adequate assurance” that required labor standards would be maintained upon the construction work.

**Change Order Procedures**

No change in the construction from approved plans and specifications shall be made unless and until a change order has been duly prepared and approved, except in the case of an emergency endangering life or property. Change orders shall be prepared in the format used by the State. Sufficient copies should be sent to each holder of contract documents.

Change orders shall be submitted by the designer to the subrecipient and shall be accompanied by a complete breakdown showing computation of the cost together with a written explanation of the change and reasons for change.

The designer, by submitting the change order on behalf of the subrecipient, certifies that he/she has examined and analyzed the change order and it is acceptable and the cost is reasonable.

The subrecipient shall forward a copy of the change order to the OPT for final approval. Incomplete change orders will be returned for correction and completion. Note that cost breakdown must justify the cost.
**Final Inspection**
Final inspections shall be the responsibility of the designer or construction manager. OPT staff may participate in the final inspection. A copy of the final inspection report shall be submitted to OPT with final invoice for payment.

The retainage will be released after the subrecipient has certified all contractual obligations.

**Final appraisal of the facility shall be completed within 6 months from the date of completion.**

**Phase III**

**Subrecipient Responsibilities**
- Contact OPT for technical assistance regarding any applications for federal or state funding for land acquisition or development of permanent structures.
- Obtain restrictive covenants on land or permanent buildings.
- Submit maintenance plans for land, buildings and facilities to OPT.
- Keep an inventory of land, buildings or facilities purchased with federal funds and submitted to OPT through the Property Inventory Forms.
- Name SCDOT-Office of Public Transit as additional insured for premise insurance.
- Contact OPT for assistance regarding disposal of land, buildings or facilities acquired with federal or state funds.
- When disposing of property, obtain a commercial appraisal or other fair market valuation, and submit the documentation to the appropriate OPT asset manager for approval.
- Compensate SCDOT as described above if disposing of property.
- Reinvest any proceeds from the sale of property into the transit program.

**Property Management**
Facilities constructed or renovated with federal funds will remain the property of the subrecipient as long as the facility is used for public transportation purposes. If for any reason the facility is no longer needed for the purposes of public transportation services in the non-urbanized area, the provisions regarding property disposition must be followed. Refer to FTA Circular 5010.1 (as amended).

All subrecipients shall have an effective facilities and equipment maintenance plan that ensures that federal and state investments in facilities and equipment are protected adequately. The maintenance plan should be written and include the organization’s assignment of responsibility for facility and equipment maintenance, a series of inspections and routine maintenance actions designed to ensure the proper care and maximum useful service life of facilities and equipment, and a record-keeping system that maintains adequate permanent records of maintenance and
inspection activity for buildings and equipment. SCDOT will ensure compliance through periodic on-site inspections. A sample Facility Maintenance Plan is included on OPT website.

**Maintenance Requirements**

Properties purchased or constructed with federal or state funds such as land, buildings (i.e. bus barns), and facilities (i.e. passenger shelters and transfer stations) should be maintained free of defects and graffiti to ensure that access is usable and they remain a safe environment. The properties must be used for the purposes described in the application and agreement.

All subrecipients are required to have maintenance plans for buildings and facilities and submit them to OPT. Subrecipients must maintain in operative condition those features of the facilities that are required to make the facilities readily accessible to and usable by individuals with disabilities. These features include, but are not limited to, elevators, signage and systems to facilitate communications with persons with impaired vision or hearing. Accessibility features shall be repaired promptly if they are damaged or out of order. When an accessibility feature is out of order, reasonable steps will be taken to accommodate individuals with disabilities who would otherwise use the feature. At a minimum, ADA equipment should be maintained based on the manufacturer’s suggested maintenance guidelines.

Proper maintenance of facilities, machinery, and equipment is the key to protecting the federal investment and prolonging the useful life of the facility. Each subrecipient shall have in place an established system of regular and frequent maintenance checks of ADA equipment sufficient to determine if they are operative. An effective maintenance plan insures that federal and state investment in facilities and equipment is protected adequately. The maintenance plan should be written and include an organization and assignment of responsibility for facility and equipment maintenance, a series of inspections and routine maintenance actions designed to ensure the proper care and maximum useful service life of facilities and equipment, and a record-keeping system that maintains adequate permanent records of maintenance and inspection activity for buildings and equipment.

**Restrictive Covenants**

SCDOT requires that land and permanent buildings purchased or improved with federal or state funds have a restrictive covenant filed with the property deed. The covenant is to protect the federal interest in the property. Because passenger shelters are not permanent buildings, they are exempt from this requirement.

**Disposition of Property**

Land, buildings or facilities purchased or improved using federal or state funds may only be used for the originally authorized purpose. Such property shall not be transferred to another party, disposed of, its title encumbered or have other liens or claims imposed, without obtaining the approval of SCDOT pursuant to the procedure outlined below.

When property funded with federal or state funds is no longer needed for the originally authorized purpose, the subrecipient is required to contact the SCDOT/OPT for disposition instructions. The options are as follows:

- Retain title of the property after compensating the awarding agency (SCDOT);
• Sell the property and compensate the awarding agency (SCDOT); or

• Transfer title to the awarding agency (SCDOT) or to a third-party designated or approved by the awarding agency.

The fair market value of the property shall be used when property is sold, transferred to another party, or voluntarily converted to a non-transit use by the transit agency. Subrecipients must have a commercial appraisal or other fair market valuation to determine fair market value. SCDOT must review and approve the fair market valuation if a commercial appraisal is not used.

When compensating SCDOT under the procedures identified above, SCDOT receives an amount equal to the fair market value times the percent of federal or state reimbursement as identified in the original subrecipient agreement. The subrecipient also retains an amount equal to the fair market value times the percent of match provided as identified in the original subrecipient agreement.

The disposition of property that is involuntarily converted (i.e. acts of God or acts of nature) will be negotiated on a case-by-case basis between SCDOT and the subrecipient.

Subrecipients must reinvest any funds received from the sale of property or insurance proceeds into the transit program. Funds received by SCDOT shall be reinvested into the originating grant.

**Request for Reimbursement**

Requests for reimbursement shall be submitted on a monthly basis with supporting documentation. Request for Payment, Form 600, must accompany all reimbursement requests with an itemized list of activities completed. The Request for Payment must be completed and signed by the subrecipient including an invoice request for payment from the contractor and designer. A DBE reporting form will need to be submitted with payment. See Chapter 6 Project Finance Management and the Project Invoicing Section of Chapter 11 for more information on requests for reimbursement.
ASSURANCES
For
REAL PROPERTY ACQUISITION REQUIREMENTS
And
RELOCATION REQUIREMENTS of TITLE II
of the
Uniform Relocation Assistance and Real Property
Acquisition Policies Act of 1970, as Amended

The_________(name of subrecipient)____________ hereby assures that it will comply with
Sections 210 and 305 of the Uniform Relocation Assistance and Real Property Acquisition
Policies Act of 1970, as amended by the Uniform Relocation Act Amendments of 1987, Title IV
of the Surface Transportation and Uniform Relocation Act Amendments of 1987, Title IV of the

__________________________________
(Name of authorized official)

__________________________________
(Signature)

__________________________________
(Title)

__________________________________
(Date)
Chapter 10: Other Applicable Provisions

Background
Several laws and administrative requirements apply in common to all federal grant programs and, therefore, are applicable to the Sections 5310 and 5311 programs as well. Compliance features for some of these requirements have been further defined by the Federal Transit Administration, inclusive of several unique provisions applicable to all FTA grant assistance programs. The applicable laws stated within this section are subject to revision by federal and state law or guidance.

Civil Rights

Title VI
SCDOT ensures compliance with Title VI of the Civil Rights Act of 1964; 49 CFR, part 21; related statutes and regulations to the end that no person shall be excluded from participation in or be denied the benefits of, or be subjected to discrimination under any public transportation program or activity receiving financial assistance from the U.S. Department of Transportation on the grounds of race, color, sex, disability or national origin. The Office of Public Transit ensures that the requirements and guidelines within FTA Circular 4702.1(series) objectives are implemented and monitored as required.

SCDOT’s “Notice to the Public of Rights under Title VI” is posted on the Office of Public Transit and Office of Business Development and Special Programs websites. SCDOT also has Complaint Procedures, a Discrimination Form, and a Complaint Log posted on the Office of Business Development and Special Programs website for subrecipients and the general public to utilize.

SCDOT monitors subrecipients’ compliancy with notification of the public of Title VI rights during the compliancy and oversight review process. Subrecipients are required to submit a copy of their Notice to the Public to ensure compliance with FTA requirements and list the locations where the notice is posted and advertised. Documentation of the subrecipient’s compliance is also achieved through the review of the oversight questionnaire. These documented notices to the public are maintained by the Title VI Coordinator.

SCDOT’s LEP plan is included in the FTA Title VI program document and posted on the Office of Business Development and Special Programs website under Title VI Compliance. Subrecipients are required to submit copies of their LEP plans during the compliance and oversight review monitoring process with the exception of 5310 recipients.

The Title VI Complaint Procedure for FTA Funded Programs or Activities is located on the SCDOT website. Any person who believes he or she has been discriminated against should file a complaint utilizing SCDOT’s Title VI Complaint form which is located at: https://www.scdot.org/business/bus-development-titleVI.aspx.
As required by FTA Circular 4702.1(series), SCDOT submits a Title VI Program to the FTA regional office once every three years.

**Subrecipient Responsibilities**

- For any subrecipient to receive federal funds, each is required to submit a board-approved Title VI plan.
- Submit Title VI plans to OPT and OPT forwards the plans to the SCDOT’s Title VI coordinator for review/concurrence and to maintain on file. The Title VI Coordinator will notify OPT in writing regarding concurrence with the Title VI plan.
- Forward any updates to the Title VI plan to OPT accompanied by minutes of the Board approval of such updates.
- Submit Title VI plans and other pertinent documentation such as complaint logs, notices to the public, Title VI activity plan log, current complaint procedures and forms, LEP, equity analysis, etc. triennially as part of the OPT complaint review. This documentation is forwarded to SCDOT Title VI Coordinator for review to determine whether the plan meets the requirement.
- Complete certifications and assurances as a part of their annual application process
- Notify OPT immediately upon the receipt of a Title VI complaint. Complaint is forwarded to the SCDOT Title VI Coordinator for review and guidance.

**SCDOT Responsibilities**

- Assist in preparing program applications,
- Provide an open application process that is advertised publicly to all persons, including minority applicants,
- Issue press release for all federal program announcements, and
- Conduct compliance reviews triennially to ensure compliance with Title VI requirements
- Review quarterly reports from subrecipients and document any Title VI complaints
- Compile quarterly report for submittal to the Title VI Coordinator.
- Conduct analyses of the overall allocation of the benefits and burdens of transportation investments in light of Title VI considerations by conducting public hearings and collecting public input and data.
- Utilize public outreach and involvement methods to ensure public participation and comments from the general public, low income and minority populations, and LEP persons are included in the planning of transportation programs and activities.
- Maintain a funding formula used to allocate and distribute funds to transit subrecipients. The funding distribution process includes several factors that are reviewed and evaluated. Over the years, the factors have remained the same; no new factors have been added to the formula. However, SCDOT OPT periodically reviews the funding allocation distribution methodology to see if additional adjustments need to be made to address any Civil Rights issues. This is also supplemented by the analysis and outreach efforts contained in the State Multi-modal Plan which is updated every five years.
- Maintain Title VI plans for all subrecipients with Title VI Coordinator.
Equal Employment Opportunity (EEO)
The SCDOT is required to submit an annual Affirmative Action Plan (AAP) to Federal Highway Administration (FHWA) for approval. FHWA is SCDOT cognizant agency and there exists a reciprocal arrangement between the Federal Transit Administration (FTA) and FHWA. Once approved, a letter of notification is forwarded to the Secretary of Transportation, Human Resources Director, and the OPT Transit Director. OPT ensures that a copy of the approval letter is sent to FTA.

EEO Requirements/Thresholds
All subrecipients are required to submit to SCDOT assurances indicating their compliance with FTA EEO objectives, as detailed in FTA Circular 4704.1A at http://www.fta.dot.gov/documents/ftaeeoprogramguidelines.pdf. SCDOT receives this information during the application process.

Any subrecipient that meets the following thresholds specified in the circular must submit an EEO plan:

- Capital or operating assistance in excess of $1,000,000
- Planning Assistance in excess of $250,000
- Employs 50 or more transit related employees

Note: Currently, there are no subrecipients receiving federal funds administered through OPT that meet these thresholds.

EEO Plan
The purpose of the EEO plan is to:

- Establish strong agency policy and commitment to equal employment opportunity
- Assign responsibility and authority for the program to top agency officials
- Analyze present workforce to identify jobs and departments where minorities and females are underrepresented
- Set specific measurable hiring and promotion goals with target dates in each area of under-utilization
- Make every manager and supervisor responsible and accountable for helping to meet these goals
- Re-evaluate job descriptions and hiring criteria to ensure that they include only actual job needs
- Find minorities and females who qualify or can become qualified to fill goals

The components of the EEO plan should include the following:

- Statement of Policy
- Dissemination
- Designation of Personnel Responsibility
- Utilization Analysis
- Goals and Timetables
- Assessment of Employment Practices
- Monitoring and Reporting

The EEO plan must also:
• Confirm the Agency’s commitment to EEO
• Be signed and dated by the CEO
• Include the name of the EEO Officer
• Include the seven (7) paragraphs on Page III-1, 2(a) of the circular UMTA C 4704.1, as amended

All materials relating to EEO must also be placed in a conspicuous and accessible location so employees and applicants are aware of the agency’s EEO commitment.

The plan must document the subrecipient’s nondiscrimination policies on the basis of race, color, creed, national origin, sex, age, or disability. The EEO Plan is reviewed by the OPT staff and a letter of concurrence is forwarded to the agency.

SCDOT OPT reviews the EEO plans for compliance and notifies the subrecipients whether any corrective action is required. EEO plans are to be submitted to OPT when any modifications are updated along with copies of the Board minutes stating Board approval. OPT requests current copies of subrecipients EEO plans every three years to be reviewed as part of the compliance and oversight reviews.

Each year, prior to the subrecipient’s notification of award, OPT will review each subrecipient’s potential award amount and will review each agency that is to receive more than $700,000 in federal funds to evaluate whether the subrecipient exceeds the threshold requiring submittal of an EEO plan. Those subrecipients that reach the above thresholds will be required to submit an EEO plan to OPT.

All Section 5310 and 5311 subrecipients are also required to submit to SCDOT assurances indicating their compliance with FTA's Equal Employment Opportunity objectives, as detailed in FTA Circular 4704.1.

**Disadvantaged Business Enterprise (DBE)**

*Policy Statement*

It is the policy of the South Carolina Department of Transportation (SCDOT) to ensure nondiscrimination in the award and administration of federally assisted contracts and make a good faith effort to use disadvantaged business enterprises (DBEs) in federally assisted contracting and procurement activities according to regulations and objectives of 49 CFR Part 26 and State law.

The SCDOT has established a DBE program in accordance with regulations and objectives of the United States Department of Transportation (USDOT) found in 49 CFR Part 26. The SCDOT will require each transit vehicle manufacturer (TVM), as a condition of being authorized to bid or propose on FTA-assisted transit vehicle procurement, to certify that the TVM has complied with the requirements of the TVM’s DBE program goal. Alternatively, SCDOT may, at its discretion and with FTA approval, establish project-specific goals for DBE participation in the procurement of transit vehicles in lieu of the TVM complying with this element of the program. FTA Section 5311 projects/contracts must comply with the U.S. Department of Transportation’s regulations on the participation of business concerns owned and controlled by socially and
economically disadvantaged individuals. The regulations are outlined in “Participation of DBEs in DOT Programs”, (49 CFR, Part 26) which became effective on March 4, 1999 (64 F.R. 5096). FTA Circular 9040.1F outlines the USDOT’s requirements and delineates the steps that the recipient of public transit funds (SCDOT subrecipients (Section 5311 grantees), contractors, and subcontractors) should take to set goals and meet other requirements for FTA-assisted contracts and procurements.

Section 5311 recipients shall be considered as subrecipients of funds from the SCDOT. As such, Section 5311 subrecipients will be required to make every reasonable effort to utilize DBEs in order to contribute to the SCDOT’s attainment of its overall goal of a minimum DBE participation in the Section 5311 program as stated in the subrecipient grant agreement and as periodically updated through SCDOT DBE methodology and goal assignment as per 49 CFR Part 26. Please see OPT webpage on the SCDOT website for information on the Transit DBE Goal Setting methodology.

Information regarding the SCDOT DBE certification process can be found on the SCDOT website under the “Doing Business with SCDOT” banner on the Office of Business Development and Special Programs webpage.

The SCDOT DBE Plan is also known as the SCDOT DBE Program Document. This document can be found on the OPT webpage.

**Protection of the Environment**

FTA's environmental impact regulation requires different levels of analysis and documentation for the various types of projects funded through its programs. The great majority of projects and activities funded through SCDOT/FTA-funded programs do not normally involve significant environmental impacts. Such projects are termed “categorical exclusions” in FTA's procedures because they are types of projects that have been categorically excluded from the requirement to prepare an environmental review document. FTA's regulation classifies categorically excluded actions and projects into two groups:

- Those having very limited or no environmental effects at all such as planning and technical studies, preliminary design work, program administration, operating assistance and transit vehicle purchases; and

- Those involving more construction and greater potential for off-site impacts, for example new construction or expansion of transit terminals, storage and maintenance garages, office facilities and parking facilities. These can be built and operated without causing significant impacts if they are sited in areas with compatible land use where the primary access routes are adequate to handle additional transit vehicle traffic.

The vehicles, radio and computer equipment and other related equipment items routinely purchased under the Section 5310 program are considered categorical exclusions from FTA's requirements to prepare environmental documentation. Subrecipients shall submit declarations of environmental assessments for approval by FTA through their respective application process as necessary and/or as requested by OPT.
Environmental Justice

The purpose of this policy is to provide subrecipients of FTA’s financial assistance administered through OPT, with the guidance to incorporate environmental justice principles into their planned projects and activities.

Environmental justice is the fair treatment and meaningful involvement of all people regardless of race, gender, religion, color, national origin, or income with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies.

All new construction projects seeking OPT administered funds must include evidence of a documented environmental justice process.

Examples of environmental burdens that may be considered under the umbrella of environmental justice cover many aspects of community life. These burdens can include any environmental pollutant, hazard, or disadvantage that compromises the health of a community or its residents.

Labor Protection

Employee Protection Provisions of Section 5333 (b) Special Warranty

SCDOT addresses issues relating to Section 5333 (b) Special Warranty, Labor Protection Provisions, when applications are received from subrecipients for project consideration.

When SCDOT recommends a project for funding, each subrecipient is required to provide a written acceptance of the terms and conditions of the Special Section 5333 (b) Warranty. The written acceptance provides assurance that the subrecipient agrees to be bound by certain portions of the National (Model) Agreement.

Additionally, subrecipients are required to list all (private or public) providers of public transportation in their service area including their labor status on a form provided with the Section 5311 application.

Each Section 5311 subrecipient will contractually assure compliance with the provisions of Section 5333(b) of the Federal Transit Law, indicating that the project will be carried out in such a manner and upon such terms and conditions as will not adversely affect employees of the Section 5311 project and of any other surface public transportation provider in the subrecipient's service area.

All Section 5311 applicants must provide assurance that they are in compliance with the law through the application process.

In 1974, the Secretary of Transportation determined that it was not "necessary or appropriate" to apply the conditions of Section 5333(b) to organizational subrecipients under the Section 5310 program.

Section 504 and ADA Program Requirements

Section 504 of the Rehabilitation Act of 1973, (Section 504), as amended (29 U.S.C. 794), prohibits discrimination on the basis of handicap by recipients of federal financial assistance.

Subrecipients must comply with 49 CFR Parts 27, 37, and 38 implementing the ADA and Section 504 as required. These provisions:

- Prohibit discrimination against individuals with disabilities;
- Specify accessibility requirements for the design and construction of new transportation facilities;
- Require that vehicles acquired be accessible to and usable by individuals with disabilities, including individuals using wheelchairs (with limited exceptions for demand responsive systems providing equivalent service to individuals with disabilities) or a demonstration of inability to obtain an accessible vehicle despite good faith efforts to do so;
- Require governmental authorities, including a private non-profit entity “standing in the shoes” of the State as a subrecipient operating fixed route transit, to have complementary paratransit plans on file (effective January 26, 1992); and
- Subrecipients of federal funds should ensure compliance in the areas of employment, public services, public accommodations, telecommunications, and other provisions.

Certification is accomplished annually through the funding application packages containing appropriate compliance assurances, and through program site review.

If a Section 5311 subrecipient is operating fixed route transit, the subrecipient must submit an annual paratransit plan to the Office of Public Transit. The SCDOT/Office of Public Transit must comment on the paratransit plan submitted and transmit comments to the FTA regional office by April 1 of each year in accordance with applicable law.

Subrecipients are required to report any ADA complaints on a quarterly basis, utilizing the quarterly report form. The report must include the nature of the complaint or the subrecipient may provide supporting documentation stating the status of the complaint. For complaints against SCDOT, OPT will follow the process as outlined in the SCDOT ADA Transition Plan.

Each subrecipient must have an ADA Coordinator and written procedures to address ADA complaints. All ADA complaints must be forwarded to SCDOT OPT along with subsequent documentation outlining the measures taken to address the complaint along with the final resolution.

SCDOT OPT ensures oversight of subrecipients’ compliance with 49 CFR 37.5(i)(3), by requiring policies, practices, and procedures of public entities that provide public transportation be submitted to OPT for review to ensure compliance with federal regulations. OPT also checks for compliance utilizing the Compliance and Oversight Questionnaire during onsite review. Subrecipients receive a copy of this questionnaire prior to onsite review.
SCDOT OPT must also ensure that all vehicles acquired with Section 5311 funds are equipped, maintained, and operated in accordance with 49 CFR Parts 27, 37 and 38 and that service provided does not discriminate against individuals with disabilities. Currently, all vehicles on state contract that are available for subrecipient purchase are ADA compliant.

OPT requires that all subrecipients provide adequate training to its operators on how to operate ADA/lift equipment and assist individuals with disabilities, when boarding and exiting the bus.

OPT conducts regional training annually for operators which include wheelchair lift operations and securement. OPT offers the Passenger Service and Safety (PASS) training bi-annually. Additionally, the State Vehicle Contract includes a provision that requires vendors to provide one hour of equipment operational training to subrecipients when new buses are delivered.

Newly constructed facilities, including joint use stops and depots for intercity bus transportation, must comply with ADA accessibility standards.

More information regarding ADA Compliance and the SCDOT ADA Transition Plan can be found on the SCDOT website by clicking on the “Quick Links” banner and selecting the Americans with Disabilities Act webpage.

**Clean Air Act**

The Clean Air Act Amendments of 1990 establish many new substantive requirements in order to bring air quality regions, which currently violate the National Ambient Air Quality Standards, into attainment by prescribed dates.

The principal requirement for which both Section 5310 and Section 5311 subrecipients must be aware of is the transportation/air quality conformity review process. In general, transportation plans, programs, and projects must "conform" with approved State (air quality) Implementation Plans before FHWA or FTA can fund them.

Most of the projects typically funded under Section 5311 have been exempted by regulation from the conformity review process, e.g., operating assistance, purchase, and rehabilitation of transit vehicles, operating equipment and construction of most storage and maintenance facilities. However, this could become an issue for certain large facilities, e.g. transit terminals and park-and-ride facilities. A complete list of exempted highway and transit projects is found in 40 CFR 93.126. Section 5311 projects should therefore consult with FTA when in question, as early as possible in the development of their programs to establish the need for further analysis to support FTA's conformity determination.

Other Clean Air Act requirements may apply to Section 5310 and 5311 subrecipients, for example, a phase-in of more stringent bus emissions standards. The FTA regional office can supply up-to-date information on various provisions of the Clean Air Act related to mobile sources.
**Charter Service**


The 2008 definition of charter service is as follows:

- Transportation provided by a [sub]recipient at the request of a third party for the exclusive use of a bus or van for a negotiated price. The following features may be characteristic of charter service:
  1. A third party pays the transit provider a negotiated price for the group;
  2. Any fares charged to individual members of the group are collected by a third party;
  3. The service is not part of the transit provider’s regularly scheduled service, or is offered for a limited period of time;
  4. A third party determines the origin and destination of the trip as well as scheduling; or

- Transportation provided by a [sub]recipient to the public for events or functions that occur on an irregular basis or for a limited duration and
  1. A premium fare is charged that is greater than the usual or customary fixed route fare; or
  2. The service is paid for in whole or in part by a third party.

All FTA subrecipients are prohibited from providing charter service using FTA-funded equipment if there is at least one private charter operator in the area willing and able to provide charter service. However, there are exceptions and a process for prospective charter services. The Office of Public Transit requires any subrecipient wishing to provide charter service under the FTA-identified exceptions to contact the office for further assistance.

SCDOT’s Office of Public Transit must be notified via email or postal service that a request for charter service exception is being submitted to FTA. SCDOT subrecipient requests for charter service exception (including all supporting documentation) will be reviewed by and coordinated through the Office of Public Transit prior to submission to FTA.

All allowable incidental charter service must be fully allocated with no charge to federally funded programs. No mileage, trips and hours associated with allowable incidental charter service shall be represented in the subrecipient’s annual operating statistics (OPSTATS) report.

SCDOT reviews compliance with charter rules during periodic on-site visits. On receiving a written complaint alleging that a violation has occurred, SCDOT shall investigate and determine whether a violation has occurred. The state will look to the subrecipient to remedy any claims against the subrecipient in association with charter service in violation of 49 CFR 604. SCDOT may bar a subrecipient from receiving further funding when a continuing pattern of documented violations occurs.
The requirements of 49 CFR 604 shall apply to recipients/subrecipients of federal financial assistance under the Federal Transit Laws, except as otherwise provided below. **Per 49 CFR 604.2, these services are NOT considered charter:**

1. Normal, year-round fixed-route services and demand-responsive transportation provided to individuals by any transit system (or contractor);

2. Transportation services by any transit system (or contractor) transporting persons to or from transit facilities or projects within its geographic service area or proposed geographic service area for the purpose of conducting transit oversight functions such as inspection, evaluation, or review;

3. Transportation services by any transit system (or contractor) transporting persons for emergency preparedness planning and operations;

4. Transportation services funded by and meeting the program purposes of the former JARC, New Freedom, or any special needs programs, as well as services funded by a non-urbanized formula program (e.g. Section 5310) that serves the needs of human service agencies or specifically targets special needs of populations who are elderly, disabled or low income:

5. Transportation services by any transit system (or contractor) provided for up to 45 days in direct response to an emergency declared by the President, governor, or mayor or in an emergency requiring immediate action prior to a formal declaration (Anything beyond 45 days is not exempt.); and

6. Transportation services by a transit system (or contractor) from non-urbanized areas transporting individuals to or from transit training outside its geographic service area.

An overview of the charter service exceptions and required responses follows. This information is provided for summary purposes only. Please consult with the Office of Public Transit for further guidance.
<table>
<thead>
<tr>
<th>Exception</th>
<th>Response</th>
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<tbody>
<tr>
<td><strong>Exception 604.6</strong> – Government officials on official government business.</td>
<td>Record the following information:</td>
</tr>
<tr>
<td>(1) Restricted to provider’s geographic service area</td>
<td>1. Government organization’s name, address, phone number, and email address,</td>
</tr>
<tr>
<td>(2) Must not generate revenue, except as required by law</td>
<td>2. Date and time of service,</td>
</tr>
<tr>
<td>(3) Is limited to 80 hours annually. May petition for additional charter hours.</td>
<td>3. Number of passengers (specifically noting the number of government officials on the trip),</td>
</tr>
<tr>
<td></td>
<td>4. Origin, destination, and trip length (miles and hours),</td>
</tr>
<tr>
<td></td>
<td>5. Vehicle number (example, bus 102), and</td>
</tr>
<tr>
<td></td>
<td>6. Retain the record for three years.</td>
</tr>
</tbody>
</table>

<p>| <strong>Exception 604.7</strong> – Qualified human service organizations (QHSO) Service to persons: | Ensure that the human service agency is qualified, that is, it receives funds from programs listed in FTA’s Charter Service Regulations (49 CFR Part 604), of the charter regulation or has registered on the FTA charter website at least 60 days before the charter request. Record the following information: |
| (1) With mobility limitations related to advanced age, | 1. QHSO’s name, address, phone number, and email address, |
| (2) With disabilities, or | 2. Date and time of service, |
| (3) With low income. | 3. Number of passengers, |
| Organization must register if it does not receive funds from programs listed in FTA’s Charter Service Regulations (49 CFR Part 604), of the charter regulation. | 4. Origin, destination, and trip length (miles and hours), |
| | 5. Vehicle number (example, bus 102), and |
| | 6. Retain the record for three years. |</p>
<table>
<thead>
<tr>
<th>Exception</th>
<th>Response</th>
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</table>
| **Exception 604.8** – Leasing FTA funded equipment and drivers to a charter service operator only if the following conditions exist:  
1. The operator is registered on the FTA charter registration web site,  
2. The operator owns and operates buses or vans in a charter service business,  
3. The operator received a request for charter service that exceeds its capacity either of the number of vehicles operated or the number of accessible vehicles,  
4. The operator has exhausted all of the available vehicles for all registered charter providers in your geographic service area. | Record the following information:  
1. Registered charter provider’s name, address, telephone number, and email address,  
2. Number of vehicles leased, types of vehicles leased, and vehicle identification numbers,  
3. Documentation presented by the registered charter provider that the four conditions are satisfied, and  
4. Retain the record for three years. |
| **Exception 604.9** – When no registered charter provider responds to a notice posted on the FTA charter website:  
1. Within 72 hours for charter service requested to be provided in less than 30 days, or  
2. Within 14 calendar days for charter service requested to be provided in 30 days or more. | Record the following information:  
1. The group’s name, address, phone number, and email address,  
2. Date and time of service,  
3. Number of passengers,  
4. Origin, destination, and trip length (miles and hours),  
5. Fee collected, if any,  
6. Vehicle number (example, bus 102), and  
7. Retain the record for three years. |
| **Exception 604.10** – Agreement with registered charter providers  
If a new charter provider registers in the geographic service area, may continue to provider charter service for 90 days without an agreement with the newly registered charter provider.  
Any parties to an agreement may cancel at any time after providing a 90-day notice. | Record the following information:  
1. The group’s name, address, phone number, and email address,  
2. Date and time of service,  
3. Number of passengers,  
4. Origin, destination, and trip length (miles and hours),  
5. Fee collected, if any,  
6. Vehicle number (example, bus 102), and  
7. Retain the record for three years. |
### Exception 604.11 – Petitions to the Administrator for:

1. **Events of regional or national significance,**
2. **Hardship (<200,000 population only), or**
3. **Unique and time sensitive events that are in the public interest.**

<table>
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<th>Exception</th>
<th>Response</th>
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<tbody>
<tr>
<td>Exception 604.11</td>
<td>For an event of regional or national significance, the petition shall describe how registered charter providers were consulted and will be utilized, include a certification that the recipient has exhausted all the registered charter providers in its service area, and submitted the petition at least 90 days before the first day of the event.</td>
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<td></td>
<td>For a hardship request, the petition must be for deadhead time that exceeds total trip time from initial pick-up to final drop-off, including wait time and shall describe how the minimum duration would create a hardship on the group requesting the charter.</td>
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<td></td>
<td>For a unique and time sensitive event, the petition shall describe why the event is unique and time sensitive and would be in the public’s interest.</td>
</tr>
<tr>
<td></td>
<td>Record the following information:</td>
</tr>
<tr>
<td></td>
<td>1. The group’s name, address, phone number, and email address,</td>
</tr>
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<td></td>
<td>2. Date and time of service,</td>
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<tr>
<td></td>
<td>7. Retain the record for three years.</td>
</tr>
</tbody>
</table>

Section 5310 and 5311 subrecipients are exempt from the FTA charter rule provided the service is for program purposes only. “Program purposes” is defined as transportation that serves the needs of either human service agencies or targeted populations, such as elderly, individuals with disabilities, low income, etc.

“Program purposes” does not include exclusive service for other groups formed for purposes unrelated to the special needs of these targeted populations. Thus, Section 5310 and 5311 subrecipients who intend to provide charter service that is outside their program purposes must follow the guidelines outlined.

**Required Reporting of Charter Services**

Rural public transit systems doing any charter service under any of the allowable exceptions must file quarterly electronic reports with SCDOT utilizing the SCDOT Charter Service Reporting Form (located on OPT website) within 15 days of the end of each quarter, listing each charter service provided and providing the specified detail in those cases where such is required.
All such services must also be reported as charters on quarterly and year-end statistical reports as requested or required.

**Advisory Opinions and Cease and Desist Orders**

The advisory opinion sets forth the requirements for requesting an advisory opinion from the FTA’s Chief Counsel Office. Any interested party (including a transit system) may, at any time, request an advisory opinion from the Federal Transit Administration (FTA) Office of Chief Counsel on a matter regarding specific factual events using the prescribed format, and the Chief Counsel will give their opinion unless they find that:

- There is insufficient information;
- That an opinion is impossible;
- That the matter is adequately covered by a previous opinion; or
- That an opinion would not be in the public interest.

Such an opinion represents the policy of FTA, and although it can be revoked or reversed, can be relied upon until such would happen.

The request for an advisory opinion may also include a request to the chief counsel to issue a cease and desist order which is an order to ask the party that is violating the charter rules to refrain from such activities.


**Complaints/Investigations/Remedies**

Either transit systems or registered private charter operators or their representative can file complaints requesting that a registered private charter operator or a qualified human service organization be removed from FTA’s registration website. FTA shall make the determination as to whether someone is removed. Removal can be on the basis of bad faith, fraud, lapse of insurance, lapse of other documentation, or the filing of more than one complaint, which, on its face, does not warrant an investigation or further action by FTA. Removal can be for a period of up to three years.

Registered private charter operators or their representatives can file complaints against transit systems alleged to be violating the charter rule. If upon investigation the allegations are found to be factual, the FTA Chief Counsel can, after considering a number of specified factors, do one or more of the following:

- Bar the transit system from receiving future financial assistance from FTA;
- Order withholding of a reasonable percentage of available Federal financial assistance; or
• Pursue suspension or debarment of the transit system, its employees or its contractors.

Either party involved in a complaint can appeal the decision of the chief counsel to the FTA administrator. The final decision of the administrator may be subject to judicial review.

**School Bus**
No subrecipient shall engage in school bus operations using buses, facilities or equipment funded with federal funds. A subrecipient may, however, use such buses, facilities and equipment for the transportation of school students, personnel and equipment in incidental charter bus operations. Such use of project equipment is subject to part 604 of the Federal Transit Regulations.

**Tripper Service**
The prohibition against the use of buses, facilities and equipment funded under the acts shall not apply to tripper service which is regularly scheduled public transportation service which is open to the public, and which is designed or modified to accommodate the needs of school students and personnel, using various fare collections or subsidy systems. Buses used in tripper service must be clearly marked as open to the public and may not carry designations such as “school bus” or “school special”. These buses may stop only at a regular service stop. All routes traveled by tripper buses must be within a grantee's or operator's regular route service as indicated in their published route schedules.

**Jacob’s Law**
An applicant whose transportation needs include transporting pre-primary, primary or secondary school students should insure that the vehicle used meets the requirements of Section 56-5-195 of the Code of Laws of South Carolina, known as Jacob’s Law.

**Inter-State Services Using FTA Funds**
The service area for a subrecipient of Sections 5310, 5311 or 5339 funding may include destinations across a state line (interstate service). Operators of interstate service “for compensation” are required to comply with the Federal Motor Carrier Safety Administration (FMCSA) regulations. A USDOT number is required of ALL vehicles involved in interstate service for compensation. A USDOT number can be obtained by filling out forms MCS - 150 and MCS - 150A at [www.fmcsa.dot.gov](http://www.fmcsa.dot.gov).

Receipts of FTA Section 5310, 5311 or 5339 funds qualify as “for compensation.” Generally, if operators are engaged in interstate travel, are “for-compensation,” and operate a vehicle designed or used for nine or more passengers (including the driver), they must comply with FMCSA regulations. This includes ensuring adequate insurance coverage (financial responsibility) for the states traveled within. **Note:** Transit carriers operating vehicles designed for fewer than 9 passengers and carrying fewer than 9 people do not need to meet the requirements detailed in this chapter.

Further information is available and can be accessed through the National Cooperative Highway Research Program Research Results Digest 311: FMCSA Regulations as They Apply to FTA Section 5310/5311 Providers: a Handbook. Note that this information was published in 2006.
and, while still meaningful, these requirements apply beyond Section 5310 and 5311 as stated in this plan.

**Certifications and Assurances**

The annual certifications and assurances are binding legal commitments for the subrecipient to comply with Federal law and regulations and are issued during the SCDOT program application process. The certifications and assurances apply to all FTA programs, including tribal transit grants.

Current certifications and assurances from the Federal Transit Administration are located on the FTA website at: [FTA – Existing Grantees – Certifications & Assurances](https://www.fta.dot.gov/). Each subrecipient must comply with the applicable certifications and assurances to the extent that they may apply for federal funding. Updates are required on an as needed basis.

**Safety**

Safety is paramount and inherent in the provision of SCDOT/Office of Public Transit-funded services both at the organizational level as well as to the ultimate customer - the transit passenger.

FTA's authority in the area of transit safety is set forth in Section 5329 Transit Safety & Oversight of the Federal Transit Law. Under Section 5329, FTA may withhold further financial assistance from any grantee that fails to correct any condition that FTA believes "creates a serious hazard of death or injury."

As the designated recipient for federal funds in South Carolina, the SCDOT is empowered to carry out the authority indicated above. SCDOT will also exercise authority to remove vehicles and facilities from service if it is deemed that identified vehicles or facilities present an unsafe environment for employees and transit customers. In this regard, SCDOT/Office of Public Transit may engage the safety resources of the SCDOT's Office of Occupational Safety for assistance in ensuring compliance with all issues relevant to employee and customer safety.

The South Carolina Department of Transportation's Departmental Directive #36 dated November 22, 2004 per the latest approved revision, and the Department’s Employee Safety Manual addresses the policies on alcohol and controlled substance use and compliance with the Drug-Free Workplace Act of 1988.

**Drug and Alcohol Program**

"Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations," as implemented by 49 CFR Part 655 (August 2001), as amended, and to be read in conjunction with 49 CFR Part 40, requires all subrecipients receiving Federal Transit Administration funds under Capital Grant, Urbanized Area Formula Grant, or Non-Urbanized Area Formula Grant Programs to have a drug and alcohol testing program in place for all safety sensitive employees.

In addition, the U.S. Department of Transportation has issued 49 CFR Part 40, "Procedures for Transportation Workplace Drug and Alcohol Testing Programs," which prescribes testing methods to be followed.
Certification must be signed by the subrecipient's governing board or other authorized individual or body in compliance with the above. Failure to certify compliance with the drug and alcohol rules will result in jeopardizing federal funding from FTA. In addition, an FTA grant recipient is subject to criminal sanctions and fines for false statements or misrepresentation under Section 1001 of Title 18 of the U.S. Code.

**Drug and Alcohol Testing**

SCDOT subrecipients of specific Federal Transit Administration (FTA) funding must establish and maintain a drug and alcohol testing program in accordance with 49 CFR §655, and in consonance with 49 CFR Part 40.

To ensure compliance with FTA Drug and Alcohol Testing Program requirements public transportation providers must:

- **Establish** an anti-drug use and alcohol misuse program as outlined in 49 CFR § 655.11-12;
- **Establish** an education and training program for all covered employees as outlined in 49 CFR § 655.14;
- **Establish and provide** written notice to every covered employee, of the employer’s anti-drug and alcohol misuse program policy, in accordance with 49 CFR § 655.15-17;
- **Establish** a program that provides testing for prohibited drugs as outlined in 49 CFR § 655.21;
- **Establish** a program that provides testing for alcohol as outlined in 49 CFR § 655.31-35, and in conjunction with 49 CFR Part 40;
- **Comply** with the testing requirements as detailed in 49 CFR § 655.41-62;
- **Maintain** in a secure location, with controlled access, all records of its anti-drug and alcohol misuse program as detailed in 49 CFR § 655.71, and in accordance with records disclosure instructions provided in 49 CFR § 655.73; and
- **Annually prepare, maintain, and electronically complete and submit** a Drug and Alcohol Management Information System (DAMIS) Report reflecting the results of its anti-drug and alcohol misuse testing programs performed for the previous calendar year. Transit agencies may complete this report electronically. The SCDOT training, safety, security program manager will provide DAMIS Report preparation instructions, along with a transit agency user ID# and password to all FTA Section 5311 subrecipients, upon receipt from FTA.

To ensure SCDOT subrecipient compliance with FTA’s mandated Drug and Alcohol Testing Program and the Drug-Free Workplace requirements, the SCDOT training, safety, security program manager will:
• Periodically **review** each transit agency’s Drug and Alcohol Program Policy for compliance and **provide** technical assistance and **offer** training to correct potential deficiencies;

• **Conduct** on-site visits to review all aspects of each transit agency’s drug and alcohol program that cannot be accomplished via desktop audit, such as compliance with program management requirements, records maintenance and storage review, ensuring that all applicable drug and alcohol program regulations are readily available, reviewing documentation of employee training, collector compliance with regulations, and reviewing any other program compliance requirements;

• **Provide** technical assistance in all matters pertaining to transit agency drug and alcohol program management as requested, or deemed to be appropriate;

• **Provide** employee/supervisor training, such as “Reasonable Suspicion Referral for Supervisors” and other program related training as available/required;

• **Monitor** transit agency drug and alcohol program management activities via accessing and reviewing the 3rd Party Administrator (TPA) website;

• **Ensure** that transit providers have the TPA resources available through state contract;

• **Monitor** collection sites for compliance with FTA Drug and Alcohol Testing Program requirements;

• **Coordinate** efforts that would eventually allow individual transit agencies to review their drug and alcohol testing program activities via accessing the current TPA website;

• **Collect, compile, and review** all data necessary to validate each transit agency’s Drug and Alcohol Management Information System (DAMIS) Report. Each transit agency prepares this report electronically. The SCDOT training, safety, security program manager reviews each report and then electronically forwards the data to FTA prior to March 15 of each year.

• **Provide** professional input in conjunction with the preparation of any South Carolina Materials Management Office (SCMMO) Request for Proposals (RFP) associated with the procurement of a drug and alcohol testing 3rd Party Administrator.

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**Drug-Free Workplace Act**

The Drug-Free Workplace Act of 1988, as well as Section 44-107-30, S.C. Code of Laws (1976), as amended, requires all grantees receiving federal awards from any state agency to certify they will maintain a drug-free workplace.

**Private Sector Participation**

Federal law requires the public to be involved in the transportation planning process and specifically requires that private providers be provided an opportunity to be consulted in developing transportation plans and programs in both urban and rural areas. Public involvement
processes must be proactive and provide complete information, timely public notice, full public access to key decisions, and opportunities for early and continuing involvement throughout the transportation planning and programming process.

Under the requirements of 49 U.S.C. 5323(a)(1) States or local governmental authorities may use FTA funds to operate public transportation service in competition with or in addition to transportation service provided by an existing public transportation company, only if the grantee “provides for the participation of private companies engaged in public transportation to the maximum extent feasible.”

SCDOT encourages its subrecipients to include private operators, stakeholders, and interest groups into their transportation planning process.

In view of the South Carolina Department of Transportation's continued commitment, to the maximum extent feasible, to the involvement of private enterprise in the provision of public transit services, the following applies: Applicants must provide reasonable notice to transportation providers regarding proposed services and opportunities for their participation in such services.

To ensure that all interested persons, businesses, and agencies have been notified of a subrecipient's intention to provide public transportation services and that they have adequate opportunity to comment, the subrecipient must issue a public notice describing its proposed services. The notice should invite any interested private operator within the service area to comment or request a public hearing on the proposed services by written notice to the subrecipient. A minimum of 15 days response time must be provided.

**Commercial Driver’s License**

Effective April 1, 1992, all drivers of vehicles designed to transport more than 15 persons (including the driver) must have a commercial driver’s license (CDL). Mechanics who drive the vehicles must also have a CDL.

**Force Account Plans**

A force account plan is required if an agency uses its own in-house workforce for a capital project over $100,000, but less than $10,000,000, excluding preventive maintenance (PM) the subrecipient must develop and maintain on file a force account plan and justification prior to incurring cost. If the capital project is over $10,000,000, FTA approval of the force account plan is required. No plan or justification is required if the force account work is less than $100,000.

**Eligibility**

To be eligible for reimbursement for force account work, the subrecipient must obtain SCDOT OPT prior approval before incurring any cost regardless of the amount.
Chapter 11: Project Reporting, Monitoring and Onsite Reviews

Background

The Federal Transit Administration gives the State, to the extent permitted by law, maximum discretion in designing and managing the Sections 5310 and 5311 Programs. FTA staff provides overall policy for the respective programs; apportions funds annually to the State; develops and implements financial management procedures; and conducts national program reviews and evaluations.

The FTA defers to the State, where possible, the development of specific program standards, criteria, procedures and policies in order to provide South Carolina the flexibility to standardize its management of these federal programs and related state programs.

Any agency, local government or other entity, including non-profit organizations, using state funds or state-administered federal funds for the purpose of transporting private citizens on a regular basis must provide input and information as requested by SCDOT in a timely manner and in a format specified by the SCDOT.

Project Monitoring and Reporting

Participants in the Section 5311 program are required to monitor and report on a variety of items, including ridership, revenues, expenses, vehicle and equipment management, drug and alcohol testing, involvement of DBEs, service coordination efforts, and board meeting minutes. Some reports are filed quarterly and others are filed annually. Quarterly report forms may be found on the Office of Public Transit website at: https://www.scdot.org/travel/travel-transitservices.aspx

A continuous system of checks and balances is built into project monitoring through various means such as subrecipient reports, invoice processing, the generation of supplemental agreements and the operating statistics data review and data collection process (OPSTATS reporting). These methods are enhanced through open channels of communication, site visits, and a compliance review process.

The open channels of communication and compliance review process are complementary and intended to provide a qualitative closing the “loop” method by continually ensuring that the subrecipient(s) requirements, as identified in the application and resultant contract, are being met through what SCDOT is providing.

When an issue surfaces, a proactive response is needed. It should include an analysis of the program challenge and alternatives and ultimately yield an appropriate recommendation that strives to be satisfactory to all parties.
Operating Statistics

Operating Statistics and Transit Data Reporting
The Operating Statistics (OPSTATS) and transit data reporting process is a method employed to gather and analyze transportation program data from subrecipients of the South Carolina Department of Transportation. The OPSTATS reporting instrument is an Excel spreadsheet workbook designed for tracking data for each subrecipient for a variety of purposes, including vehicle needs assessment, funding needs assessment, trend analyses, performance measurements and vehicle information.

All current and newly approved subrecipients of SCDOT-administered Section 5311 and SMTF transit funding programs are required to complete and submit the OPSTATS Report. All agencies with open contracts with the SCDOT Office of Public Transit for vehicles, facilities, infrastructure or services supporting the provision of public transportation services, must also complete and submit the OPSTATS Report. The OPSTATS Report is completed annually for services provided during the South Carolina State Fiscal Year (July 1st through June 30th).

Once data submitted in the OPSTATS form has been verified, OPT uses the OPSTATS report to submit rural agency data, on their behalf, to the National Transit Database (NTD). The rural data submitted includes:

- Expenditures;
- Revenues;
- Vehicle Data;
- Facility Data; and
- Performance Data.

OPSTATS is also utilized by OPT to report 5311 data related to small urban agencies.

Data is used as follows:

- **National Transit Database for Rural Transit Services**-Some of the information and data from the OPSTATS Report will be used to comply with Federally-mandated data reporting of rural transit service activities in the State.

- **Vehicle Needs Assessment**-Vehicle utilization for the purpose of identifying needs will be tracked via the data submitted on the OPSTATS Report.

- **Funding Needs Assessment**-Data reported via the OPSTATS process may be used with other non-performance regional data as part of an on-going evaluation of funding needs.

- **Trend Analysis**-Data across different periods will be used in on-going operational analysis of transit systems.
• **Performance Measurement**—Performance measures and ratios will be employed as additional tools to assess agency-level and statewide transit functioning.

• **Year-End Reporting**—The data will be used in agency-level and required accountability updates to the State Legislature and the SCDOT Commission.

### Other Required Reporting

SCDOT collects project milestone information from each of its subrecipients on a semi-annual basis at a minimum. Data collection includes the number of miles, hours, and trips provided during the reporting period, as well as financial information such as expenses and revenues during the reporting period.

Under the Government Performance Results Act (GPRA), FTA is required by law to “establish performance goals to define the level of performance” and to “establish performance indicators to be used in measuring relevant outputs, service levels, and outcomes” for each of its programs. The performance measures described below are designed to fulfill FTA’s obligations under this act. These measures will be used at a program level, and will not be used to assess individual grants.

FTA will be capturing overall program measures to be used with the GPRA and the performance assessment rating tool process for the U.S. Office of Management and Budget. FTA will conduct independent evaluations of the program focused on specific data elements in order to better understand the implementation strategies and related outcomes associated with the program. The following indicators are targeted to capture overarching program information as part of the annual report that SCDOT submits to FTA.

SCDOT will ensure that the required information is reported for all subrecipients of federal funding in projects selected by the State, including those that were transferred to Section 5307 or 5311 for administration. SCDOT will assess this information through its established reporting requirements and mechanisms.

### Section 5310

Subrecipients of FTA 5310 funding will report data as required by SCDOT. At a minimum, the required reporting will include:

- **Gaps in Service Filled.** Provision of transportation options that would not otherwise be available for older adults and individuals with disabilities measured in numbers of older adults and individuals with disabilities afforded mobility they would not have without program support; and

- **Ridership.** Actual or estimated number of rides (as measured by one-way trips) provided annually for individuals with disabilities and older adults on Section 5310 supported vehicles and services.
Section 5311

The National Transit Database (NTD) is FTA’s primary national database for statistics on the transit industry. Recipients and beneficiaries of FTA’s Nonurbanized Area Formula Program (49 U.S.C. 5311) grants are required by 49 U.S.C. 5335(a) and (b) to submit data to the NTD as a condition of the award. Specific reporting requirements are included in the NTD reporting instructions manual issued each year. Visit the NTD website: https://www.transit.dot.gov/ntd for the most recent rural reporting manual.

Section 5311(b)(4) specifies that each Section 5311 recipient shall submit an annual report containing information on capital investment, operations, and service provided under Section 5311. Items to be reported include total annual revenue; sources of revenue; total annual operating costs; total annual capital costs; fleet size and type, and related facilities; revenue vehicle miles; and ridership.

SCDOT is responsible for ensuring that data is collected and compiled from each Section 5311 subrecipient and transportation provider in the State that benefits from the grant.

Project Request for Payment

Request for payment provides SCDOT/OPT the opportunity to ensure the quality progression of a project. It also provides an excellent opportunity for interaction and technical assistance between the subrecipients and various staff members at SCDOT/OPT who are involved with a project.

Subrecipients submit the Form 600 Request for Payment Invoice Form and Financial Summary (includes administration, operations, capital, ADA capital and technical assistance summary of charges) to the regional program manager. Section 5310 subrecipients and Section 5311 subrecipients submit the forms electronically through the Virtual Transit e-Forms (VTe) electronic request for payment system. Request for payment for capital equipment must include vendor invoices and additional supporting documentation. Before purchasing vehicles, subrecipients must receive authorization from an OPT asset manager to ensure compliance with required procurement requirements.

Request for payment must be submitted monthly, unless total monthly expenses are equal to or less than $100, or OPT has provided written authorization to submit otherwise. In any case, requests for payment must be submitted no less than quarterly. Upon receipt of a correctly completed request for payment invoice, SCDOT/OPT will review the request and any supporting documents to verify that requirements have been met.

The regional program manager reviews the request for payment and it is either accepted or rejected based on the form’s content and compliance with the scope of the contract. OPT reserves the right to request additional supporting documentation deemed necessary to adequately monitor progress. Once approved, the regional program manager completes the Form 608. Form 608, Form 600 and Financial Summary and other supporting documents is forwarded to the OPT director or the director’s authorized designee for final approval and signature. The request package is forwarded to SCDOT Accounting Department for processing payment. Refer to the Requests for Payment section of Chapter 6 for more information.
After the request has been processed, the accounting department returns the documents to the OPT grants manager for maintenance in the contract file.

**Request for Payment for Vehicle Reimbursement**

1. Subrecipient submits request through VTe. Request for Reimbursement package must include the following documents:
   - Form 600 Request for Reimbursement, signed and dated by preparer and approver
   - Financial summary that identifies vehicle by Capital line item expense
   - Purchase order if purchased off state contract and vendor Invoice that identifies vendor name, subrecipient name, vehicle description (year, make, and model). Purchase and vendor invoice should include the OPT agreement number under which the purchase was made.
   - Vehicle specs with subrecipient name, description of vehicle (year, make, model, VIN), vendor name and address
   - OPT Property Delivery Receipt and Property Delivery Receipt Supplement signed and dated by agency that identifies accounting asset number and assigned agency number
   - OPT Vehicle Inspection Report
   - Visual Inspection and Road Test Sheets (should include last 5 VIN #)
     Pre-award Compliance Certifications that includes - Pre-award Buy America Compliance, Pre-award Purchaser’s Requirements, and Pre-award FMVSS Compliance
   - Post-delivery Compliance Certifications that includes Post-delivery Buy America Compliance, Post-delivery FMVSS Compliance, and On-Site Manufacturer Inspection Compliance Certification,
   - DMV Form 400 - Application for Certificate of Title & Registration for Motor Vehicle
   - Insurance Identification Card

2. The regional program manager reviews VTe documents and then completes Form 608. From 608 and other VTe documents (Request for Reimbursement package) are sent to respective Contract & Grants Managers.

3. Contracts & Grants Manager reviews Request for Reimbursement package, inputs accounting codes on and signs Form 608, and sends Request for Reimbursement package to accounting.
4. Accounting processes and returns a date-stamped copy to Contract & Grants Managers.

5. Request for Reimbursement package is saved to network after payment notification is received from accounting. Invoices are saved on the network at InvInvoices - 608, OPT fiscal year 608s (2018-2019), Program funding (5310, 5339 etc.), and agency legal name.

**Compliance Reviews**

**Monitoring**
The SCDOT is authorized to monitor all project activities, services, project administration and management practices supported with federal and/or state funds, to ensure compliance with federal regulations.

**Section 5310 Compliance Reviews**
Currently, SCDOT staff conducts on-site reviews of Section 5310 subrecipients at least once every three years. The SCDOT will give the subrecipient prior notification of each monitoring activity (on-site review) to be conducted by the SCDOT staff. SCDOT staff notifies the subrecipient in writing of any deficiencies or findings noted during a monitoring visit and conducts follow-up visits to ensure that corrective actions are taken, as necessary.

**Section 5311 Compliance Reviews**
OPT will conduct program and financial reviews on a triennial basis of public transit subrecipients. The review will include OPT federally administered FTA funds (Section 5311, 5339 and 5310 if applicable) and State Mass Transit Funds. OPT will prepare an annual schedule of agencies to be reviewed and will provide a written request of documents to be submitted or made available to OPT. The on-site review will begin with an entrance conference and end with an exit conference.

OPT will provide a report identifying findings and corrective action and recommendations and guidance which requires subrecipient input. Findings and guidance will be closed once issues have been adequately addressed.

**Disciplinary Action for Non-Compliance**
Failure to comply with Federal statutes, regulations or conditions of the OPT agreement and other OPT requirements may result in disciplinary action based on 2 CFR Subpart C Specific Conditions. If the additional conditions do not remedy the noncompliance, then OPT may take additional action referred to in 2 CFR Subpart D Remedies for Noncompliance.

**Additional Award Conditions**
When a subrecipient has a history of failure to comply, at a minimum, with conditions of the OPT agreement, failure to meet performance goals, failure to be nonresponsive, then the following additional requirements may be instituted;

- Considering placing an agency on high risk status; and
• Withhold authority to proceed until OPT is in receipt of evidence of acceptable performance;
• Require submission of detailed reports; financial statements, mileage, maintenance, drug & alcohol, etc.
• Require subrecipient to adhere to increased monitoring and/or increased OPT approvals
• Require subrecipient to obtain technical assistance

When the additional award conditions do not remedy subrecipient noncompliance, then OPT may take the following action as is appropriate in the circumstance:

• Temporarily withholding processing request for reimbursement invoices pending correction of the deficiency,
• Disallow all or part of the costs of the activity or action associated with the noncompliance.
• Suspend or terminate all or part of the OPT agreement.
• Transfer assets to another transit system if subrecipient continues to fail to properly use or maintain OPT funded assets.
• Withhold further OPT agreements.
• Initiate suspension or debarment proceedings as authorized under 2 CFR part 180.
• Other actions permissible by law.

OPT will provide written correspondence explaining the reason for the disciplinary action(s), the time frame associated with disciplinary action and what the subrecipient must accomplish before the disciplinary action is removed.
Chapter 12: Technical Assistance and Training

**OPT Technical Assistance (TA)**

It is the goal of the SCDOT/Office of Public Transit to maintain an ongoing technical assistance program with all its subrecipients to ensure compliance with both federal and state requirements governing the receipt of Federal Transit Administration (FTA) and State Mass Transit Funds (SMTF). OPT staff provides technical assistance to its subrecipients in the following areas:

1) new subrecipient program overview;

2) program management;

3) financial management;

4) asset management; and

5) planning.

A request for TA may originate from a subrecipient or OPT staff. Regardless of how it initiated or was suggested, OPT staff must assess the request to determine what type of assistance is needed. In most cases, this is done through a conference call but depending on the complexity of the situation, a one-on-one site-visit may be required. The level of research and preparation for TA is determined by the nature and complexity of the problem but, as a general rule, the following occurs:

- OPT staff assess the issue to determine what’s needed;
- One or more OPT staff is identified to assist the subrecipient;
- OPT staff prepares for follow-up with subrecipient;
- Preliminary conference call may be conducted with OPT staff and subrecipient to further assess the need;
- Conference call or site-visit is scheduled to assist the subrecipient;
- Preliminary instructions are provided to the subrecipient to assist with preparing for the TA;
- OPT staff prepares for TA;
- TA takes place;
- OPT prepares a TA report only if a site-visit was provided;
- OPT staff is advised to follow-up in a few months to make sure matter is corrected;
- Subrecipient request for TA is closed.
OPT’s Human Service Team provides regional TA visits annually to assist providers with program issues or changes within the program. The team is made up of the regional program manager, asset manager, and grants coordinator. The regions with the most concerns or projects normally receive more frequent visits; however, TA is always an on-going activity.

Additionally, TA is also provided to subrecipients in the form of annual program updates, during the annual contract workshop, and the annual transportation association conference.

**Plan Assessment**

OPT staff will complete a TA questionnaire on site to identify program areas for which TA was offered. The questionnaire is divided into three sections: Programs, Asset Management, and Civil Rights.

OPT staff will use the results of the assessment questionnaire to determine if additional TA is needed and the program areas that need additional follow-up. The level of TA varies with the size of the agency and the complexity of the problem(s).

The TA may include a review of contract and budget, invoices and contract balance, financial status, progress report submission, vehicle and facility inspection report, and certifications and assurances. TA may also include route information and service type, hours and schedule of operations, and an audit report or financial statement.

**Follow-up Technical Assistance Process**

- Regional program sends TA questionnaire to subrecipient for completion;
- Subrecipient completes and returns TA questionnaire;
- Schedule the TA site visit and send applicable TA package to subrecipient;
- Perform TA site visit and provide applicable TA;
- Issue report of the TA and identify areas of improvement;
- Provide follow-up TA as needed to ensure compliance;
- Prepare close-out once monitoring is complete and condition improves.

**State Rural Transit Assistance Program (RTAP)**

**Program Goals and Objectives**

The main goal of the South Carolina RTAP program is to provide training opportunities and technical assistance to the state’s rural transit providers in an effort to build capacity, increase operating efficiency and safety, and ensure compliance with various federal and state regulations. The specific objectives of the RTAP program are to:

- Promote the safe and effective delivery of public transportation in non-urbanized areas and to make more efficient use of public and private resources;
• Foster the development of state and local capacity for addressing the training and technical assistance needs of the rural transportation community;

• Improve the quality of information and technical assistance available through the development of training and technical assistance resource materials;

• Facilitate peer-to-peer self-help through the development of local networks of transit professionals; and

• Support the coordination of public, private, specialized, and human service transportation services.

Development of RTAP program goals and objectives is based on input from SCDOT/OPT staff, and from the Transportation Association of South Carolina.

The RTAP program provides funding to assist in the design and implementation of training and technical assistance projects and other support services tailored to meet the specific needs of transit operators in non-urbanized areas. However, the SCDOT sponsors training seminars when there are a significant number of transit personnel desiring or needing training on a specific subject. Courses are selected based on requests, interest surveys of transit agencies, and evaluation of the degree of deficiencies by SCDOT/OPT staff. Courses are open primarily to rural transit providers and transit planning agencies. However, urban transit systems are allowed to participate only when state funds are available to cover the estimated cost for urban providers. RTAP funds cover the cost for registration, meals, lodging, and transportation to the extent of available funds.

**RTAP Program Manager**

The Rural Transit Assistance Program (RTAP) in South Carolina is managed and directed by the RTAP program manager, who is located within the Office of Public Transit. The RTAP program manager reports directly to the director of the OPT. The RTAP program manager is responsible for developing and implementing the program.

**Eligible Assistance Categories**

South Carolina may use RTAP funds to support non-urbanized transit activities in four categories:

- Training (including workshops, conferences, etc.);
- Technical assistance;
- Research; and
- Related support services.

**Funding**

The RTAP program is funded at 100%; therefore, no local match is required. However, the SCDOT provides state funds to supplement any shortfall as needed.