

Introduction

Congratulations! Your organization has been awarded a public transportation grant for 2015-2017 through the Washington State Department of Transportation. WSDOT is committed to both the success of the funded projects and the effective management of grant funds. Use this guide as a reference tool for your organization throughout the life of your project, as it offers technical assistance and direction for maintaining compliance with the laws and regulations associated with Federal Transit Administration (FTA) and Washington state public transportation funding.

Guidebook Contents

This guide is not intended to supersede your grant agreement. In the event that any sections of this guide are inconsistent with the specific terms and conditions of your grant agreement, the agreement is contractually binding and must be followed. Some of the requirements in this guide apply only to organizations receiving federal funds; however, consider this guidance a model for best practices for all project types.

[Chapter 1 – Guidelines for All Projects](#)

[Chapter 2 – Guidelines for Operating, Mobility-Management and Program Development Projects](#)

[Chapter 3 – Guidelines for Capital Vehicle and Equipment Projects](#)

[Chapter 4 – Guidelines for Capital Construction Projects](#)

[Appendix A – Operating Reimbursement Request Instructions and Forms](#)

[Appendix B – Quarterly Reporting](#)

[Appendix C – Narrative Quarterly Reporting](#)

[Appendix D – Capital and Vehicle Reimbursement Request Form](#)

[Appendix E – Procurement Documentation](#)

[Appendix F – Acronyms and Definitions](#)

[Appendix G – References](#)

[Appendix H – Capital Construction Reimbursement Request](#)

Program Covered in the Guidebook

The Consolidated Grant Program provides both state and federal funding to support public transportation services statewide. The following includes funds awarded through the program's competitive process, as well as funds awarded outside the competitive process.

State Funds

Rural Mobility Grant Program – Funding to support rural and small urban areas statewide. There are two separate rural mobility allocations:

- **Competitive** – Priority for competitive funding is given to rural areas.
- **Transit Formula** – This is a formula-based grant program for small urban and rural public transit systems only.

Paratransit/Special Needs Grant Program – Funding to sustain and expand services to special needs populations.

- **Non-Profit Competitive** – Priority for competitive funding is given to private, nonprofit organizations to support special needs transportation services.
- **Transit Formula** – This is a formula-based grant program for public transit systems to provide special needs transportation.

Federal Funds (allocated annually by FTA)

- **5339** – Bus and Bus Facilities Formula Program
- **5310** – Enhanced Mobility of Seniors and Individuals with Disabilities Program
- **5311** – Rural Area Formula Program
- **5304** – Statewide Planning Program
- **5316** – Job Access and Reverse Commute Program
- **5317** – New Freedom Program

Surface Transportation Program (STP) Funds – STP funds are awarded to rural public transportation providers by the regional transportation planning organizations and then transferred to the FTA 5311 program.

Guide Revisions

This guide is reviewed and updated every two years with the possibility of interim updates. When revisions are made to this document, WSDOT will notify organizations with current grants that a new updated version has been posted to the WSDOT website at <http://www.wsdot.wa.gov/Transit/Grants/Guidebook.htm>.

Contacts

In order to provide our recipients with the most responsive customer service, the Public Transportation Division (PTD) is introducing a new, regionally focused approach to managing the Consolidated Grants Program. Each sub-recipient is assigned a community liaison (CL) by region who will generally be your primary point of contact throughout the life of the grant. There are also subject matter experts, denoted below, who are available to provide technical assistance.

| Assistance Category | Contact | Phone | Email |
|--|----------------|--------------|--|
| Asset Management and Vehicle Maintenance Plans | Hiep Tran | 360-705-7806 | tranh@wsdot.wa.gov |
| Charter Regulations | Tom Hanson | 360-705-7939 | hansont@wsdot.wa.gov |
| Civil Rights ADA/ Disadvantaged Business Enterprise/ Title VI | Ryan Warner | 360-705-6918 | warnerry@wsdot.wa.gov |
| Commute Trip Reduction/Transportation Demand Management | Kathy Johnston | 360-705-7925 | johnstk@wsdot.wa.gov |

| | | | |
|--|------------------------------|------------------------------|--|
| Contracts | David Chenaur | 360-705-7839 | chenaud@wsdot.wa.gov |
| Coordinated Transportation | Don Chartock | 360-705-7928 | chartod@wsdot.wa.gov |
| Drug and Alcohol Program | Hiep Tran | 360-705-7806 | tranh@wsdot.wa.gov |
| Grantee Compliance/Policies | Nicole Patrick Katie Wood | 360-705-6930 360-705-7718 | patricn@wsdot.wa.gov woodk@wsdot.wa.gov |
| Indirect Cost and In-Kind Valuation Plans | Barb Savary | 360-705-7914 | savaryb@wsdot.wa.gov |
| Intercity Bus | Tom Hanson | 360-705-7939 | hansont@wsdot.wa.gov |
| Invoicing/Reimbursement Requests | Lori Barnhart | 360-705-7874 | barnhal@wsdot.wa.gov |
| IT Architecture | Ryan Warner | 360-705-6918 | warnerry@wsdot.wa.gov |
| Marketing/Public Relations | Jef Lucero | 360-705-7846 | luceroj@wsdot.wa.gov |
| National Transit Database | Janice Helmann | 206-464-1284 | helmanj@wsdot.wa.gov |
| State Regional Mobility Grants | Nicole Patrick | 360-705-6930 | patricn@wsdot.wa.gov |
| Rural Transit Assistance Program (RTAP) | Linda Howell | 509-543-3316 | howell@wsdot.wa.gov |
| Safety and Security | Hiep Tran | 360-705-7806 | tranh@wsdot.wa.gov |
| STP Transfers | Barb Savary | 360-705-7914 | savaryb@wsdot.wa.gov |
| Transportation Development Plans | Tom Hanson | 360-705-7939 | hansont@wsdot.wa.gov |
| Vanpool Operations and Washington State Vanpool Investment Program | Shamus Misek | 360-705-7346 | miseks@wsdot.wa.gov |
| Veteran's Transportation | Ryan Warner | 360-705-6918 | warnerry@wsdot.wa.gov |
| Vehicle and Equipment Procurements | David Chenaur | 360-705-7839 | chenaud@wsdot.wa.gov |

Other Resources Available

WSDOT provides technical assistance to grantees upon request. PTD staff will make every effort to assist grantees in the following areas:

- Vehicle specifications and bid procedures.
- Drug abuse and alcohol misuse testing policies and procedures.

- Archaeological and cultural resources (State of Washington [Executive Order 05-05](#) compliance).
- Project development / management, and financial management.
- Compliance with federal and state regulations, policies and procedures.

For additional information to assist with managing your project, visit the websites listed below:

| Organization | Website |
|---|--|
| Washington State Department of Transportation | www.wsdot.wa.gov/transit |
| Community Transportation Association of America | www.ctaa.org |
| Community Transportation Association of the Northwest | www.ctanw.org |
| Federal Transit Administration | www.fta.dot.gov |
| Washington State Transit Association | www.watransit.com |
| Washington State Transit Insurance Pool | www.wstip.org |
| Washington State Transportation Training Coalition | www.wsttc.org |

This chapter outlines requirements related to your grant funding and guidelines for all project types.

Grants Contracts

The Washington State Department of Transportation expects your organization to carry out the project as described in your application for funding and subsequent grant agreement. Occasionally, despite the best efforts to effectively plan and manage a project, changes are necessary.

Project Change Requests

Your organization's project cannot be modified, adjusted or changed without written approval from WSDOT. All aspects of the grant agreement remain in force until WSDOT provides written confirmation of the approved change. All aspects of your organization's grant agreement remain in force until written approval with an effective date is received from WSDOT. In some cases, project changes require a formal amendment to the existing grant agreement.

Project Change Request Process

Before your organization develops and submits a formal written (letter or email) project change proposal to WSDOT, we strongly recommend that you contact, collaborate with and obtain input from organizations/entities that may be affected by the proposed project change. Your assigned WSDOT community liaison will aid you in the process. All changes must be requested in writing to your WSDOT community liaison, either through U.S. mail or email.

Change requests must include:

- Specific information about the proposed change (i.e., scope, schedule and budget).
- Comparisons to existing grant commitments.
- Reasons for the requested change.
- Expected benefits and costs associated with the proposed change and impact on stakeholders.

In addition, it may be helpful to include information about other potential solutions that were considered but rejected. For competitive grant programs, explain how the revised project scope will better meet the needs of your organization and the community you serve.

Examples of project changes include but are not limited to:

- **Scope of Work**
 - Service modification – Schedule and route changes (e.g., shifting service from midday to morning or weekday to weekend, or altering a route).
 - Change in the type or size of vehicles to be purchased.
 - Number of parking spaces in a park and ride lot.
 - Transit station location.
 - Using grant funds for elements of work not listed in the original scope of work (e.g., paying for a new signal on an adjacent road instead of the park and ride lot construction)

listed in the scope of work).

- Change of specifications used to guide the work (e.g., using local design specifications instead of state design specifications, shifting from an environmental impact statement to an environmental assessment, or documented categorical exclusion).
- **Schedule**
 - Change to project begin or end date.
- **Budget – Construction Projects**
 - Overall project budget.
 - Local match percentage.
 - Funding for phase of work (e.g., shifting funds from construction to an earlier phase of work such as design or real estate acquisition).
- **Assignment**
 - Transferring grant responsibilities from one organization to another organization.
 - Shifting grant funds between projects.

Most of the changes listed above will require an amendment to the grant agreement.

Approval of Change Requests

Authority to approve changes varies based upon the grant program, guiding laws and policies, and the type or extent of the change(s) requested. Some grant programs allow community liaisons to approve nominal changes. Other programs may require higher level approval or consultation (e.g., director of the WSDOT Public Transportation Division) or amendment to the grant contract.

Coordination and Community Outreach

Working with the community and teaming with other providers are crucial elements of any public transportation project. Both provide valuable opportunities for collaboration and may influence the project to better serve local communities. In addition, good coordination and outreach efforts build community support and a sense of local ownership.

In many cases, community involvement is required as part of the environmental or construction permitting process, or to obtain funding. Engaging a wide variety of people in your project—e.g., people of various age, race, levels of English proficiency, physical ability and income level—is a worthwhile objective. Community outreach is also vital in developing new services and may be required if your organization receives federal funds.

Regardless of whether your organization receives state or federal funding, in many cases it will be required to document public questions and comments, agency responses and how public opinion influenced the project. Documented public involvement is often required even if your organization receives only state funding. For technical assistance in meeting specific requirements, contact your WSDOT community liaison.

Coordinated Human Services Transportation Planning

Coordination is required by all organizations awarded grants under the Consolidated Grant Program. In 1998, the Washington State Legislature created the Agency Council on Coordinated Transportation (ACCT). In 2007, this legislation was reauthorized. State law ([RCW 47.06B](#)) requires ACCT to assist in the coordination of transportation for people with special transportation needs. The Legislature also requires “the public transportation

agencies, public transportation programs, private non-profit transportation providers, and other public agencies sponsoring programs that require transportation services to coordinate those transportation services...” to develop policies that encourage the coordination of special needs transportation. A copy of the state law can be found in [Appendix G](#).

All grants received through the Consolidated Grant Program were derived from locally developed Coordinated Human Services Transportation plans. Grantees should keep all those involved with writing the plan informed of their progress toward meeting the goals. Good organizations to contact include, but are not limited to, senior service centers, community action programs, local Medicaid brokers, local transit systems, WorkFirst local planning areas, and private sector stakeholders. For more information about coordinated transportation and the Human Services Transportation plans, see ACCT website at www.wsdot.wa.gov/acct.

Training and Technical Assistance

Training and technical assistance is available to Washington public transportation providers by both the WSDOT public transportation division and several state and national resources.

WSDOT uses a variety of methods to provide training and opportunities for discussion for public and private transportation providers. Most trainings are provided through the [Washington State Transportation Training Coalition](#) and [Community Transportation Association of the Northwest](#). In addition, WSDOT staff may coordinate, develop or conduct training programs directly with transportation providers on such subjects as ADA, drug and alcohol programs, and Title VI planning.

State Rural Transportation Assistance Program (RTAP)

RTAP is funded by the Federal Transit Association (FTA) to assist in the design and implementation of training, technical-assistance projects and other support services tailored to meet the specific needs of transit operators for non-urbanized areas, tribes and special needs transportation providers. Funding is used for training contracts, peer reviews, scholarships and other technical-assistance projects.

Scholarship Program

WSDOT provides scholarships to public-transportation personnel for registration and travel expenses associated with attending a training, conference or committee meeting. Prospective participants must apply in advance for the scholarship and submit a post-training evaluation and expense worksheet upon completion of the event. Refer to the [RTAP Scholarship webpage](#) for scholarship guidelines and forms.

Technical Assistance

RTAP funds may be used to provide other types of technical assistance. Examples include grants for a marketing campaign; volunteer program; website development; or procurement of publications, webinars, subscriptions, research assignments or financial audit.

Peer Review Program At the request of a transit agency, WSDOT will convene a technical-assistance team composed of WSDOT staff, peers and industry experts. RTAP funds may be used to reimburse travel and per diem expenses for the review.

Other resources

- **National Transit Institute (www.ntionline.com)** – Provides a wide range of training

including but not limited to:

- System Security Program Overview
- System Security Awareness for Transit Employees
- Security Incident Management for Transit Supervisors
- **Transportation Safety Institute (www.tsi.dot.gov)** – Provides a wide range of public transportation safety and security training including but not limited to:
 - Transit System Safety
 - Transit System Security
 - Effectively Managing Transit Emergencies
 - Fundamentals of Bus Collision Investigation
 - Substance Abuse Management and Program Compliance
- **United We Ride (www.unitedweride.gov)** – Provides a large amount of information regarding special needs transportation and contacts for further consultation.
- **Easter Seals Project Action (<http://www.projectaction.com>)** – Provides a vast number of publications and policies for providing transportation to people with special needs.
- **Community Transportation Association of the Northwest (www.ctanw.org)** – Provides a resource for CTA-NW Members and the transportation community at large. CTA-NW provides peer-to-peer support through trainings and technical assistance.
- **Washington State Transportation Training Coalition (www.wsttc.org)** – Sponsors a variety of training courses in the safety and security arena. The specific courses scheduled are dependent on the needs expressed by public transportation providers in the state of Washington.
- **Washington State Transit Association’s Transit Security Council (www.watransit.com)** – Provides a forum for transit agencies to share information regarding current transit security issues.
- **Municipal Research and Services Center (www.mrsc.org)**
- **Washington State Transit Insurance Pool (www.wstip.org)**
- **Department of Enterprise Services (procurement) (www.des.wa.gov)**
 - **National Transit Library (www.ntl.bts.gov)**

Marketing Public Transportation Services

Marketing your service is required by FTA and an important tool to ensure project success.

Minimum Marketing Requirements

The services your organization provides must be marketed to the target population applicable to the grant program governing your project.

Targeted Marketing

- **Paratransit/Special Needs** – Persons with special transportation needs.
- **Rural Mobility** – The general public in rural areas.
- **FTA 5310** – Persons who are elderly or have a disability.
- **FTA 5311** – The general public in rural areas and persons of low income needing access to employment or employment-related services.

Vehicle Signage

If your organization's project is funded with a general-public service program such as FTA 5311 or Rural Mobility, the vehicle(s) must display prominent signage on its exterior indicating that the service is open to the public. As a best practice, WSDOT recommends that vehicles used for public transportation by non-transit agencies display a prominent sign to indicate it is for public transportation services.

Marketing

WSDOT staff can provide assistance in developing marketing materials (see Contacts section in Introduction). Services can be marketed in a variety of ways:

- Publish flyers, schedules and service-area maps and distribute them throughout your community. Consider placing the materials at:
 - Medical facilities
 - Community centers
 - Grocery stores
 - Senior centers
 - Group homes
 - Multimodal facilities
 - Post offices
 - Social-service offices
 - Schools
 - Shopping centers
- Develop and distribute trip planners that instruct riders how to reach popular destinations.
- Place public-service announcements on local radio stations.
- Post schedules on your website.
- Encourage local media to feature your services.
- Place appropriate signage on agency vehicle(s) indicating that the service is open to the public, and include a phone number to call for information.
- Advertise in local media outlets.

Relationships with Employees and Officers of WSDOT

Under state ethics laws ([RCW 42.52.080](#)), WSDOT staff members are not allowed to accept loans, gratuities or gifts of money in any form from your organization or any of your representatives. In addition, WSDOT employees are not allowed to work for an organization if they have oversight responsibilities or are involved with contract negotiations with that organization. For more information about ethics requirements, refer to the "Ethics" clause in your organization's agreement with WSDOT, and to federal regulations 31 USC 3801 and 49 CFR Part 31.

If your organization was awarded FTA funding, you also must comply with the ethics requirements found in the "Guidelines Specific to FTA-Funded Projects."

Civil Rights

All grantees are required to comply with federal, state and local laws including but not limited to those concerning equal opportunity employment and nondiscrimination assurances. Grantees must make an effort to reach out to minorities for opportunities related to employment, contracting, and membership on policy or advisory committees. Services must be accessible to all people regardless of race, color, creed, national origin, sex, marital status, family-with-children status, age, disability, veteran/military status or sexual orientation/gender identity. There should be clear policies to prevent harassment in the workplace. Grantees receiving federal grant funds have specific civil-rights requirements outlined in this chapter.

Employee Conduct and Prevention of Harassment

Harassment in the workplace violates Washington human rights laws. WSDOT recommends that your organization establish a written policy as a best practice to keep the work environment free from harassment, coercion and intimidation in any form. The policy should include the following elements:

- A definition of behavior constituting harassment, intimidation or coercion.
- The process for filing a claim.
- The process used to investigate a claim.
- Disciplinary action and corrective measures to be taken.

Handling Discrimination and Misconduct Complaints

Personnel policies must be communicated to all employees to ensure an understanding of the types of unacceptable behavior, as well as corrective actions that may occur should they be exhibited.

All written complaints must be handled immediately in order to maintain both credibility and the ability to continue as a contractor or grantee of WSDOT. You must have procedures in place that address the course of action to be taken if and when complaints arise. If procedures are not in place, you must develop and incorporate them into your organization's administrative and personnel policies. The procedures should include:

- A requirement that all complaints be put in writing and include the alleged offense and circumstances.
- How the complaint will be investigated, including confidentiality.
- Corrective action.
- Issuance of findings.
- Notification to the person filing the complaint, informing them of the findings and what corrective measures were taken.
- Retention of the working file for each complaint received (this file must be retained for six years beyond the end of your project).

Public Accommodation and the Americans with Disabilities Act (ADA)

It is important that the services provided to the public and hiring practices of grantees do not discriminate against persons with disabilities. This section provides an overview of the basic information necessary to ensure your organization is in compliance with federal and state

laws regarding employment and services to persons with disabilities. Copies of the federal and state laws covering this topic can be found in [Appendix G](#). These laws include:

- 49 CFR Part 27 – Nondiscrimination on the Basis of Disability in Programs and Activities Receiving or Benefiting From Federal Financial Assistance
- 49 CFR Part 37 – Transportation Services for Individuals with Disabilities (ADA)
- [RCW 49.60.030](#) – Freedom from discrimination – Declaration of civil rights

It is a federal requirement that no qualified disabled person shall be excluded from participation in, be denied the benefits of, or otherwise be subject to discrimination under any program or activity that receives or benefits from federal financial assistance, administered by FTA, solely on the basis of their disability. This applies to both employment opportunities and the services provided by your organization.

The Washington state freedom from discrimination law provides additional rights to people with disabilities. Those rights include but are not limited to:

- The right to obtain and hold employment without discrimination.
- The right to full enjoyment of any of the accommodations, advantages, facilities or privileges of any place of public resort, accommodation, assemblage or amusement.

Regardless of the type of grant funds received, grantees are required to comply with all federal and state laws prohibiting discrimination on the basis of disability. Equal access to program services and facilities must be provided to people with disabilities.

Discrimination in Employment

Title I of the Americans with Disabilities Act (ADA) prohibits discrimination in employment and requires employers to provide reasonable accommodation. The ADA applies to all aspects of the employment process including job advertising, interviews, applications and post-offer medical examinations.

- **Job Advertisements and Applications** – Job applications should be written in a clear and understandable language. Position qualifications should be clearly explained. Include a statement indicating that the organization is an “Equal Opportunity Employer.”
- **Interviews** – Employers may not ask disability-related questions or conduct a medical examination until after a conditional job offer has been extended. Questions must be specific to the applicant’s ability to perform a task or job function.
- **Post-Offer Medical Exam** – Once a conditional job offer has been extended and before work starts, employers may ask any disability related questions as long as the questions are asked of all prospective employees in the particular job class.

Reasonable Accommodations

A reasonable accommodation is a modification or adjustment to a job, the work environment or the way things are usually done in order to enable a qualified individual with a disability to enjoy an equal employment opportunity. Examples of reasonable accommodations include but are not limited to:

- Purchasing a computer magnification tool for an employee with vision impairments.
- A special chair or an elevated workstation for a person with a disability.

- Rearranging the office area, workstations and employee rest rooms so a person in a wheelchair can gain access.

Meeting ADA and Public Accommodations Requirements

The services provided to persons with disabilities must be equal to the services provided to persons without disabilities. All organizations awarded grant projects through WSDOT are required to be in full compliance with the ADA on the first day of the project and remain in compliance for the duration of the project.

Below are some of the things you need to keep in mind when ensuring your service is accessible to people with disabilities.

- **Lifts and Securements** – Lifts and securement devices must be available for people with disabilities. A system of regular and frequent maintenance checks should be in place. If a lift becomes inoperable, alternate transportation must be provided to passengers with disabilities.
- **Facilities** – All facilities accessible to a person without a disability must be accessible to a person with a disability. This includes bus stops and transit centers.
- **Stop Announcements** – Stops must be audibly announced at transfer points, major intersections and destination points.
- **Accessible Communication** – Bus schedules, signage and other communication to the public must be made available in an accessible format when requested.
- **Complementary ADA Paratransit** – All services must be provided in compliance with the ADA. When evaluating paratransit service, the following considerations should be observed:
 - The service must be provided within $\frac{3}{4}$ (0.75) mile of the fixed route corridor.
 - Fare for the service must not be more than twice the fare of the fixed route.
 - Organizations should have an established eligibility criteria and procedure for determining eligibility.
 - Organizations should have a system to monitor and track service denials.
 - Requests for reservations must be accepted during normal business hours on a next day basis.
 - Days and hours of service must be the same as for fixed route, except for routes designated as commuter/express service or university service, for which no complementary service is required.
- **Deviated Fixed Route** – This service has operating characteristics of both fixed-route and demand-response service. Route-deviated service operates along standard bus routes, but may deviate from the route within a prescribed distance (e.g., 0.75 mile). Your organization must clearly communicate through outreach/marketing materials (bus schedules, websites, etc.) to the public how the service deviates from fixed-route and demand-response service.

To be considered a route-deviated service, the following criteria must be met:

- Your agency must allow customers to request a route deviation, typically by calling in advance.
- Have procedures in place for managing requests for deviations and denials, if any.
- Following a route deviation, the vehicle must return to the point on the route at which it deviated.

- You must clearly indicate route-deviated service on bus timetables, marketing materials and websites and provide the telephone number and process to follow for requesting a route deviation.
- You must indicate the distance/ coverage area that the bus will deviate for passenger pick-up and drop.
- All marketing materials must indicate who is eligible for route-deviated service.
- All route deviations completed by a transportation provider should be documented (e.g. driver trip log/manifest) and kept on file.

Service Animals

A service animal is any guide dog, signal dog or other animal individually trained to work or perform tasks for an individual with a disability. This includes but is not limited to:

- Guiding individuals with vision impairments.
- Alerting individuals with hearing impairments to intruders or sounds.
- Providing minimal protection or rescue work.
- Pulling a wheelchair.
- Fetching dropped items.

Under the ADA, your organization is required to allow service animals to accompany persons with disabilities on passenger service vehicles and in your facilities. It is discriminatory to ask for the certification, registry of a service animal or a demonstration of work performed by the service animal.

Differences between a Service Animal and a Pet

It can be very difficult to tell the difference between the two. Service animals are not required to have certification papers or wear a collar or harness, and it is a violation of the ADA to require them. If you are not certain whether an animal is a service animal or a pet, you may ask the customer if the animal is a service animal. If the customer responds that it is a service animal, the animal must be accommodated as long as it is under the control of the customer at all times.

Sensitive Information

As a public transportation provider and employer, your organization often deals with confidential information about employees and customers. There are certain laws and regulations that restrict the type of information that can be released. In addition, some entities that provide matching funds to your organization may require specific policies regarding sensitive or confidential information.

Customer's Right to Confidentiality

Drivers and dispatchers often know or become familiar with riders. While it is beneficial to establish a positive relationship with riders, it is important to safeguard the release of a customer's personal information to avoid violating a person's right to confidentiality. Riders may confide in a trusted employee, and it may be tempting to share this information with others. Below is an example of a violation of confidentiality and recommended actions to avoid such violations:

- **Issue** – Information received about a rider’s medical condition is repeated to persons other than the supervisor.
- **Recommended Practice**
 - Encourage employees to share concerns with their supervisor, not with other coworkers, family or friends. Only information the supervisor needs to know can be communicated. Names of individuals receiving service from a program must not be shared with anyone outside your organization.
 - Unless it is necessary to obtain needed services and the rider has given written consent, information about a rider must not be shared. If a rider is not able to give permission to share information for his/her well-being, the employee and the supervisor should use their best judgment to share only information needed to provide services.

Note: In some circumstances, the transportation employee is required to share information. This applies when it relates to suspected abuse of children or vulnerable adults. If abuse is suspected, this information should be conveyed to the supervisor, but must not be shared with other drivers, family or friends.

Employee’s Right to Confidentiality

Employees are often required to share confidential information with their supervisor and manager. A manager often receives information regarding an employee’s medical condition in the event of a request for personal leave, or the results of a drug and alcohol test. This information must not be shared with anyone that is not authorized under federal or state regulations.

There must be clear procedures in place to address how sensitive information may or may not be shared with others to avoid violating an employee’s right to confidentiality.

Customer Comment/Complaint Process

Your organization should have submitted a description of its customer complaint process as part of its Consolidated Grant Program application. WSDOT’s application packet included the following guidelines, as adopted by the Agency Council on Coordinated Transportation (ACCT), for organizations receiving state paratransit/special needs grants.

1. A full description of the options available to persons of special needs for making comments or complaints about fixed-route or demand-response services.
2. A complete description of the educational or outreach portion of the complaint process. Specifically, each agency shall provide the following with their application:
 - A description of how the organization will address complaints.
 - Copies of complaint forms, which are to be made available on buses and in public areas.
 - Any formally adopted policies related to the complaint process, if applicable.
 - A list of the options for contacting transportation organizations, which shall include U.S. mail, email, phone and fax, and shall use accessible formats.
 - A description of the process that exists and how persons of special needs can access information about the comment process for either fixed-route or demand-response services. The description shall demonstrate:
 - The complaint process is concise and easy to understand.
 - In no uncertain terms that retribution will not be tolerated.
 - Information about the process is prominently located on the Web page, if available.

- A description of when information is distributed—no less than every third year thereafter for active paratransit riders—including but not limited to:
 - Registration for services.
 - Re-evaluation for service.

Tracking ADA Complaints

Your organization must track all ADA-related complaints received and report that information to WSDOT quarterly. Information to be collected and reported includes:

- Date of complaint, investigation or lawsuit filed.
- A summary of the allegation(s).
- The status of the complaint, investigation or lawsuit.
- Actions taken by the organization.
- Actions taken by any third-party organization receiving the complaint or notification of investigation or lawsuit.

Finding Additional ADA Information

Detailed information about the regulations are outlined in 49 CFR Part 27, *Nondiscrimination on the Basis of Disabilities in Programs and Activities Receiving or Benefiting From Federal Financial Assistance*, and 49 CFR Part 37, ADA. For further information about ADA requirements, contact a WSDOT Public Transportation Division staff member.

Purchasing Policies

Grantees are required to maintain written purchasing procedures, sometimes called a purchasing policy or procurement policy. These procedures, at a minimum, should consist of the following:

- **Delegation of Purchasing Authority (dollar threshold for purchases related to employee positions)** – The following is an example of purchasing delegation. Your policies may differ:
 - Purchase of vehicle supplies such as gasoline may be made by drivers.
 - Purchase of items costing less than \$50 such as office supplies may be made by designated employees or reimbursed through petty cash.
 - Purchase of items or services costing between \$50 and \$3,000 may be made if approved in advance by the chief purchasing officer.
 - Purchase of items or services costing between \$500 and \$10,000 may be made if approved in advance by the director.
 - Purchase of items or services costing more than \$10,000 may be made if approved by the board.
- **Identification of Dollar Thresholds for Bidding Process** – The following is an example of spending levels that would trigger a formal competitive process:
 - Items or services costing between \$1,000 and \$3,000 require telephone quotes from two or more vendors.
 - Items or services costing more than \$3,000 require written quotes from two or more qualified vendors.

- Items or services in excess of \$25,000 require an advertised, sealed bid process.

See Chapters 3 and 4 for more information on the competitive procurement process for major capital purchases that may affect your purchasing policy.

- **Written Standards of Conduct** – Grantees must have policies to prevent conflicts of interest regarding purchasing (described later in this chapter), to both protect the best interests of the organization and prevent the unjust enrichment of its employees.
- **Protest and Appeal Process** – Purchasing guidelines must include a procedure by which aggrieved bidders may protest and appeal the award of a bid contract. At a minimum, these should include both pre-award and post-award protests, a prescribed timeline for the bidder to file with the grantee during the procurement process, and the types of information that must be contained in the protest and appeal actions.

The following are best practices for consideration in your organization’s formal purchasing policy:

- A review of proposed purchases to avoid unnecessary or duplicated purchases.
- Consideration of consolidating procurements to obtain a more economical price or separating procurements to encourage DBE participation.

Subcontracting

If your organization contracts out any portion of its grant-funded services, the third-party contract must contain specific sections from your agreement with WSDOT, including but not limited to general compliance assurance, accounting and inspection requirements, and labor provisions. For complete requirements, refer to the “Assignment and Subcontracts” section of your agreement.

Purchase-of-service contracts paid with federal funds must also comply with all federal procurement rules identified in Chapter 3. Depending on the contract value, WSDOT must review and pre-approve any bid solicitations and subsequent subcontracts.

Labor Compliance Issues

Basic requirements for complying with federal labor regulations include but are not limited to:

- 29 USC Chapter 8 – Fair Labor Standards Act (FLSA)
- 40 USC Chapter 37 – Contract Work Hours and Safety Standards Act
- 49 USC Section 5333(b) – Labor Standards

Fair Labor Standards Act and Contract Work Hours and Safety Standards Act

The Fair Labor Standards Act and the Contract Work Hours and Safety Standards Act provisions established basic wage standards to be used for employees. The three main areas that apply to your organization are:

- **Minimum Wage** – All employees at a minimum must be paid at the current federal minimum wage or state minimum wage, whichever is higher.
- **Overtime** – Non-professional employees must be paid at a rate of one and one-half (1.5) times their normal pay for all hours worked beyond 40 hours per week.

- **Health and Safety** – No employee shall be placed in a work environment that is unsanitary, hazardous or dangerous to his/her health or safety.

Note: Some types of employees are exempt from overtime payment requirements. However, it is very important not to assume that the exemptions apply to your employees. It is always best to refer directly to the appropriate regulations to determine what course of action you may take. Web links directing you to 40 USC Chapter 37 (Contract Work Hours and Safety Standards Act) and 29 USC Chapter 8 (Fair Labor Standards Act). Current state minimum wage information is available at www.lni.wa.gov/workplacerrights/wages/minimum/default.asp.

U.S. Code Section 5333(b) Labor Standards

This provision of the Federal Transit Act requires that fair and equitable arrangements must be made to protect the rights of affected public transportation employees when federal funds are used to acquire, improve or operate a general public transportation service.

Complying With Section 5333(b) Labor Standards

Section 5333(b) Labor Standards applies only to organizations awarded projects under Sections 5309, 5311, 5311(f) and 5316 and to transit agencies awarded Section 5310 funding. Section 5333(b) Labor Standards is also known by its former name, Section 13(c) Special Warranty. The *Rural Transportation Employee Protection Guidebook*, published by the U.S. Department of Labor. The publication provides detailed information about the requirements. The specific federal laws and regulations can be found in 49 USC 5333(b) and 29 CFR Part 215.

Coverage under the Labor Protections

Section 5333(b) was put in place to ensure that no transportation worker's employment is terminated or position is worsened as a result of an FTA-funded project. The labor protections under Section 5333(b) apply primarily to your employees. However, they also cover the employees of any other transportation provider operating in your service area.

Claims Filed Against Organizations

If a transportation employee feels he/she was terminated or his/her position was worsened as a result of your organization being awarded an FTA project, the employee (or a union representing the employee) has the right to file a claim with the U.S. Department of Labor. If the claim is found in their favor, it will be your organization's responsibility to make any necessary financial and employment accommodations for the individual. The U.S. Department of Labor may also impose a fine. Listed below are examples of circumstances that may cause a claim to be filed:

- **Your Organization's Employees**

- Your organization is awarded a project to purchase a new dispatch system. As a result of the purchase, you only need two dispatchers instead of three and one dispatcher is laid off.
- Your organization is awarded a project to purchase a minibus to replace a large bus. However, your organization pays minibus drivers less than it pays drivers of large buses. As a result, one driver's pay is reduced.

- **Employees of Other Transportation Providers**

- Your organization is awarded a project to provide transportation service in a new area. As

a result, there is a decline in another provider's service and the other provider terminates an employee.

Basic Compliance Requirements

There are three basic steps to ensure your organization's compliance with Section 5333(b) Labor Standards.

- **Step 1** – Review the *Rural Transportation Employee Protection Guidebook* located in [Appendix G](#) to ensure full compliance with the Department of Labor's regulations associated with rural transportation programs.
- **Step 2** – Post an employee notice. This notice advises passenger transportation employees of their rights and the process to follow if they believe their position has been worsened. A sample of the notice can be found in [Appendix G](#) of the *Rural Transportation Employee Protection Guidebook*. To comply with the posting requirement, the following actions must be taken:
 - You must prepare the notice on your organization's letterhead. This includes inserting your organization's name in the appropriate areas.
 - Attach copies of appendices A and C of the *Rural Transportation Employee Protection Guidebook* behind your notice.
 - Attach the procedure for filing a claim. If you did not receive a copy of the claims procedure, WSDOT will provide you a copy upon request.
 - If your organization's employees are covered by a union bargaining agreement, attach a copy of the union's arbitration procedures.
 - Post this information in an employee gathering area for the entire period of your grant award.
- **Step 3** – If your organization has a union contract, the local union must be notified. In addition, incorporate the arbitration procedures described in the *Rural Transportation Employee Protection Guidebook* into any current and future union contracts.

Labor Law Posters in the Workplace

Labor law posters are important– not only because they inform workers and employers of their rights and responsibilities, but because they are required to be visible in a common area in the workplace. Compliance with legal requirements for labor law posters will be verified by WSDOT staff during site visits. Most posters can be ordered at no charge from the issuing agency (e.g., Washington Department of Labor and Industries, U.S. Equal Employment Opportunity Commission, U.S. Department of Labor). The following posters are required of employers in Washington state:

- Employee Polygraph Protection Act
- Equal Opportunity Employment is the Law
- Fair Labor Standards Act (minimum wage)
- Job Safety and Health Protection
- Family Medical Leave Act of 1993
- Notice to Employees (if a job injury occurs)
- Your Rights as a Worker
- Unemployment Benefits

- Your Rights Under USERRA – Uniformed Services Employment and Reemployment Rights Act

Transit Asset Management Plan

As a condition of receiving state funding, all public transit systems (as defined in RCW [35.84.060](#), [36.56](#), [36.57A](#) and [81.112](#)) are required to have an asset management plan (AMP) certified by WSDOT and submit a self-certification every two years stating that they are still following the same plan or that the changes to their plan are consistent with state requirements. At a minimum, the plan must include an inventory of the transit system's assets, and a preventive maintenance program based on lowest-life-cycle cost methodologies. Guidance for the development of a transit AMP is published in a separate document. For more information, contact a WSDOT Public Transportation Division Capital Programs staff member.

Vehicle Maintenance Plan

Nonprofits that receive state or federal funds are required to have a vehicle maintenance plan (VMP). At a minimum, the plan must include an inventory of the organization's vehicles, and a preventive maintenance program based on lowest-life-cycle cost methodologies. Guidance for the development of a transit VMP is published in a separate document. For more information, contact a WSDOT Public Transportation Division Capital Programs staff member.

Safety, Security and Emergency Management

In any public transportation system, safety and security are primary concerns. Organizations are trusted to provide safe and reliable transportation to the general public and persons with special needs.

This section is designed to provide guidance on meeting federal requirements as well as recommendations for enhancing the safety and security of transportation services.

Bus System Safety

Passenger safety is a primary concern to WSDOT. The public expects transportation providers to supply safe and reliable transportation. Having a system safety plan may also reduce insurance rates for your organization. Neither WSDOT nor FTA mandates a formal system safety program. Developing a plan, however, is strongly encouraged.

System Safety Plan

A system safety plan may take a variety of forms. For a program to be effective, it is recommended that the plan contain the following elements:

- Leadership support
- Accident prevention program
- Worker's compensation
- Employment practices
- Violence in the workplace prevention
- Training
- Dispatch issues

- Accident investigation and review
- Vehicle inspections
- Preventative maintenance
- Emergency management
- Vulnerability assessment

The Washington State Transit Insurance Pool (WSTIP) has developed best practice guides for bus operations and vanpool safety. Contact WSTIP at 1-888-515-7665 for copies of these best practice guides.

Bus System Security

Even though a formal system security plan is not required, security is important to the public transportation industry. It is important for public transportation providers to protect themselves and the passengers they serve. Each organization is encouraged to develop a security plan.

Note: The contents of your vulnerability assessment safety and security plans discussed in the next section are not subject to public disclosure laws under state law ([RCW 42.56](#)).

Crime Prevention

Public transportation providers must regularly address various types of crime (e.g., theft, vandalism, assault or other illegal activities) that can occur on or around your premises or vehicles. When they occur, these activities present unique challenges to your organization. Taking a few simple precautionary steps can dramatically reduce the risk of occurrence.

Develop and implement policies and procedures covering:

- Violence in the workplace.
- Vehicle and facility security.
- Reporting crime to the proper authorities.
- Providing training to employees on your policies and procedures.
- Restricting access to your organization's facility.
- Parking vehicles in locked areas.

Protecting Your Organization from Acts of Terrorism

Public transportation providers must be concerned about the threat of terrorism. Public transportation is not perceived as a primary terroristic target on a national level, but is perceived as a potential method of delivery of terroristic acts. The services provided by public transportation organizations are typically open to the general public and provide access to highly populated areas, such as shopping malls. Unlike the airline industry, your organization cannot send passengers and baggage through a screening system. The information below will help you protect your organization and the public.

Vulnerability Assessments

The first step in protecting your organization from acts of terrorism is identifying your organization's critical assets by conducting a vulnerability assessment. Critical assets are defined as facilities necessary for the safe and efficient operation of your services, without which your organization either could not operate or operations would be significantly hampered. Typically, vulnerability assessments consist of a rating with points assigned to each of the following elements:

- Critical-asset factor (determining the extent to which a particular asset is critical to your operations).
- Deter-and-defend factors.
- Loss-and damage-consequences.
- Consequences to public service.
- Consequences to the general public.

Training on conducting vulnerability assessments and developing a safety and security plan is available through the National Transportation Safety Institute. Information about the training is available at www.tsi.dot.gov.

For additional information and technical assistance with conducting vulnerability assessments, contact WSDOT Public Transportation Division staff.

Measures to Enhance Security

Once your organization has completed a vulnerability assessment, you will want to develop and implement a plan to reduce your risk. The method your organization uses will depend on the types of assets you have. Common measures taken by public transportation providers include:

- Restricting access to non-public areas of facilities (i.e., operations center, maintenance).
- Periodic vehicle and/or facility inspections throughout the day/route to identify anything suspicious.
- Awareness training for employees and supervisors.

Passenger Code of Conduct

It is highly advisable for your organization and employee protection to develop and implement a written passenger code of conduct and to distribute it to all passengers. The passenger code of conduct at a minimum should include items identified as illegal bus conduct under [RCW 9.91.025](#).

When developing your organization's passenger code of conduct, it is important that it include reasonable expectations that are not discriminatory. For additional information, refer to [Appendix G](#).

Emergency Management

Managing and responding to emergencies is a multifaceted issue. Employee roles depend on the type of emergency and whether it is internal or external to your organization.

Internal Emergencies

No matter how many safety precautions are taken, your organization may be involved in an emergency situation such as a traffic collision. For this reason, it is necessary to have an emergency procedure plan in place and to train your employees on necessary actions to take.

State and Regional Emergencies

Public transportation providers can play an integral role in responding to emergencies. This is particularly true during an emergency involving an evacuation or transporting emergency response workers. The role of a public transportation provider will differ based on the type of emergency.

All organizations are encouraged to become involved with local emergency response agencies. In rural areas, emergency-response agencies are typically part of county government, while in urban areas they are often part of municipal government. In some areas, emergency response managers may be unaware of the services, resources and/or assistance you can provide.

Many public transit systems are part of the WSDOT Emergency Response Mutual Aid Agreement. The agreement facilitates aid provided between transit agencies in the agreement, and between those transit agencies and WSDOT.

Emergency Management Training Assistance

WSDOT staff is available to assist your organization in developing your organization's policies and procedures related to system safety, security and emergency response. Refer to the "Training Assistance" section above for emergency management training resources.

Guidelines Specific to FTA-Funded Projects

There are specific requirements associated with FTA-funded projects. The information in this section applies only to projects awarded federal funds.

Required Single Audits

Grantees that spend federal funds totaling \$750,000 or more in a single fiscal year (regardless of the federal funding source) are required to perform a single audit that meets the requirements of OMB Circular A-133. The audit must be completed and submitted to WSDOT within 9 months of the end of their fiscal year. The reports should be submitted to:

US Mail: Washington State Department of Transportation

Public Transportation Division
Attention: Business Services Group
PO Box 47387
Olympia, WA 98504-7387

Email: ConsolidatedGrants@wsdot.wa.gov

A grantee's organizational classification determines which type of entity will perform the audit:

- Public agencies are audited by the State Auditor's Office.
- Private for profit or non-profit organizations and tribal governments must be audited by a certified public accountant (CPA).

Note: All audits performed must meet the requirements of Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

The audit must be performed by an independent audit firm and cannot be performed by the same CPA or firm that provides general accounting services for the grantee.

Other Audits

In addition, WSDOT, the Washington State Auditor's Office or FTA (whichever is applicable) may perform an audit of your organization's project(s). These audits can be based on but are not limited to the following:

- The scope of work for your project.
- The organization's financial records.
- The federal and state laws and regulations referenced in your agreement with WSDOT.

The federal audits may take place during the course of your project and up to three years beyond the end of your agreement or contract with WSDOT. If you subcontract for services using grant funds, that third-party contractor may also be subject to an audit or inspection.

Grant Records Retention

State requirements specify that grantees are required to retain:

- Operating or planning grant records for six years beyond the end of the grant period.
- Capital vehicle and equipment grant records for six years after WSDOT releases interest in the vehicle(s) or equipment.

It is recommended that a record retention policy be established that conforms to the audit review requirements.

As a condition of receiving state and/or federal funds through WSDOT, grantees may be required to participate in an audit conducted by the State Auditor's Office or FTA. These audits are typically conducted when WSDOT is being reviewed. However, in cases where a grantee has lost its In Good Standing status, WSDOT may conduct a specific audit of all (present and past) grant-funded projects with that grantee.

Ethics Policies

This section applies to organizations receiving FTA funds. However, WSDOT considers the policies outlined in this section as best practices for all grantees. Grantees are required to develop and implement policies and procedures specific to the ethical conduct of its employees, officers, board members or agents. The policies must include:

- Written code of ethics.
- Debarment and suspension.
- Bonus or commission.
- Restrictions on lobbying.
- Employee political activity.
- False or fraudulent statements and claims.

Written Code of Ethics

The code of ethics establishes standards of conduct for your organization's employees, officers, board members or agents involved with your FTA project. The required code of ethics must cover the following:

- **Gifts and Gratuities** – Employees, officers, board members or agents of your organization may not accept or solicit gifts, gratuities, favors or anything having monetary value from current or potential subcontractors. However, minimum rules may be set where a gift is unsolicited and of nominal value.
- **Personal Conflict of Interest** – The personal-conflict-of-interest policy prohibits your organization's employees, officers, board members or agents from participating in the selection, award or administration of a contract if there is a perceived or real conflict of interest. A conflict of interest would arise when your organization's employee, officer, board member or agent has a financial or other interest in the entity submitting a bid or quote, is selected for an award, or if the entity is owned or operated by:
 - The employee, officer, board member or agent.
 - * Any member of their immediate family.
 - * Their partner(s).
 - * An organization that employs or will soon employ any of the above.
- **Organizational Conflict of Interest** – In addition, policies must be established to avoid any organizational conflicts of interest. These conflicts exist when the nature of work to be performed under a proposed contract, without some restrictions on future activities, may result in an unfair advantage to a specific contractor or impair their objectivity in managing the subcontract. Examples of organizational conflicts of interest include but are not limited to:
 - Disclosure of information related to an upcoming call for projects that is not provided to all potential bidders at the same time.
 - Obtaining assistance from a potential subcontractor in developing specifications or a request for proposals.
- **Identification and Prevention of Conflicts of Interest** – All employees, officers, board members or agents must take steps to avoid the appearance of a real or apparent conflict of interest and report any potential conflict immediately.
- **Penalties for Violations of the Code of Ethics** – The code of ethics shall include penalties, sanctions or other disciplinary actions for violations of its code or standards by its employees, officers, board members or agents.

Note: Your organization's ethics policy must include all four classes: employee, officer, board member and agent.

Debarment

Grant recipients using FTA funds for a third-party contract must award those contracts to "responsible" contractors only. Recipients can determine the integrity of a prospective contractor by checking the System for Award Management (SAM) at www.sam.gov. Debarred or suspended contractors or subcontractors cannot be awarded or participate in a contract involving federal funds. Grantees must retain documentation and verification of the selected contractor's eligibility to participate.

Bonus or Commission

In addition to the code of ethics, procedures must be implemented to ensure a bonus or commission is not paid to anyone for the purpose of obtaining the award of a grant project.

Restrictions on Lobbying and Employee Political Activity

Policies must be in place to ensure no one in your organization uses federal funds for the purpose of lobbying in connection with the award of an FTA project. In addition, if your organization uses any of its own funds for lobbying purposes, it is required to report its lobbying activities to FTA on form LLL. The form is available at www.whitehouse.gov/omb/grants/sfllin.pdf.

A grantee's employees and representatives are not allowed to use resources paid for with grant funds for political purposes. This includes but is not limited to:

- Personal campaign posters posted on grant-funded equipment and facilities.
- Charging copying costs of political materials to a grant project.
- Using grant-funded resources to support or oppose a current ballot measure.

False or Fraudulent Statements and Claims

All information provided to WSDOT must be accurate and complete. There are severe penalties for falsifying information concerning a grant-funded project.

Non-Discrimination

This section provides an overview of what your organization must do in order to ensure compliance with federal regulations associated with nondiscrimination in your employment practices and service to the public. There are two primary areas of compliance:

- Equal Employment Opportunity
- Title VI of the 1964 Civil Rights Act

Equal Employment Opportunity (EEO) Requirements

Organizations must ensure that none of their employees, applicants for employment or sub-contractors will be discriminated against because of race, color, creed, national origin, sex, marital status, family-with-children status, age, disability, veteran/military status or sexual orientation/gender identity. Additionally, organizations must post notices of their EEO policy and notify employees and applicants of complaint procedures.

An organization meeting one or both of the following criteria must have a written EEO policy compliant with Urban Mass Transit Association (UMTA) FTA C 4704.1 Chapter III:

- Employs 50 or more transit-related employees and receive \$1,000,000 or more in capital or operating assistance in the previous federal fiscal year.
- Employs 50 or more transit-related employees and receive \$250,000 or more in planning assistance in the previous federal fiscal year.

If a policy is required according to the above criteria, you must submit a copy of that policy to WSDOT.

It is required that organizations report all complaints, investigations or lawsuits to WSDOT and continue to track them accordingly. For more information on EEO, refer to the reference manual, UMTA FTA C 4704.1.

Title VI of the 1964 Civil Rights Act

Title VI of the Civil Rights Act of 1964 requires organizations receiving federal funds must take measures to ensure there is no discrimination against persons on the grounds of race, color or national origin in the provision of their services (see 42 USC 2000d).

To comply with FTA requirements, grantees must have policies and practices in place to ensure:

- The level and quality of transportation service is provided without regard to race, color or national origin.
- Programs and activities do not have a highly disproportionate effect on minority and low-income populations. Affected factors include human health, environmental, social or economic.
- All affected populations provide full and fair participation in decision-making.
- Prevention of denial, reduction or delay of benefits related to programs and activities benefiting minority or low-income populations.
- Meaningful access to programs and activities is provided to persons with limited English proficiency (LEP).
- Outreach is conducted to minority and LEP populations on a quarterly basis, at a minimum.

In addition, organizations will be required to submit quarterly reports tracking complaints, investigations or lawsuits related to Title VI protections. For more information, read FTA Circular 4702.1B or 49 CFR Part 21.

Conducting Outreach to Limited English Proficiency Populations

Federal guidance requires grantees to track their outreach activities to LEP populations. WSDOT will collect this information on the quarterly progress report. Examples of locations or groups to solicit input from LEP populations include ethnic restaurants, community centers, immigrant and refugee community groups, churches and stores or markets that cater to international/LEP populations.

For specific verbiage and guidance about conducting outreach, please review the Title VI guidance template found in the Public Transportation Library at www.wsdot.wa.gov/transit or www.lep.gov. Instructions for gathering demographic data can be found in the U.S. Census at <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>.

Tracking Discrimination Complaints

All complaints received by your organization must be tracked. Complaints made regarding Title VI or EEO protections must be tracked and reported to WSDOT quarterly. Any complaints that develop into investigations or lawsuits must also be tracked and reported to WSDOT. Information to be collected and reported includes:

- Date of complaint, investigation or lawsuit filed.
- A summary of the allegation(s).

- The status of the complaint, investigation or lawsuit.
- Actions taken by the organization.
- Actions taken by the organization that the complaint, investigation or lawsuit was forwarded to in response to the complaint, investigation or lawsuit.

Disadvantaged Business Enterprises Requirements

FTA requires that organizations receiving federal funds must make efforts to purchase from or use Disadvantaged Business Enterprises (DBE). A DBE is a for-profit small business that is:

- At least 51 percent owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51 percent of the stock is owned by one or more such individuals.
- Controlled (management and daily business operations) by one or more of the socially and economically disadvantaged individuals who own it.

This program differs from Washington's certification for Minority or Woman Owned Business Enterprise (MWBE). The thresholds for the DBE program are typically more stringent than the state program. An organization can be an MWBE and not a DBE.

As a recipient of federal funds, WSDOT is required to establish a three-year goal based on its own contracting opportunities and those of its grantees. This goal is developed by WSDOT, in part, by using the information provided in the quarterly DBE report submitted by grantees.

Effective Oct. 1, 2014, WSDOT's three-year DBE goal is 3.26 percent. Each grantee is required to make good faith efforts to use DBEs whenever purchasing or contracting with grant funds.

WSDOT staff work with grantees to ensure they are taking the proper measures needed to meet their obligations under the DBE regulations. For more information on the DBE regulations, see 49 CFR 26.

Plan Required

If your organization expects to award contracts with a combined total of \$250,000 or more in a calendar year using FTA funding, you are required to establish a DBE plan. Your organization may either adopt WSDOT's plan or establish its own plan. See the Plan Requirements section on the following page for more information.

Note: The \$250,000 threshold does not include rolling stock (vehicle) purchases.

No Plan Required

If your organization is not required to have a plan, you will still need to make good faith efforts and report those efforts to WSDOT. See the "DBE Reporting" section on the following page for more information on reporting requirements. Examples of good faith efforts include but are not limited to:

- Encouraging DBE vendors to submit a bid or quote when advertising for contracted goods or services.
- Placing ads in any local minority newspapers.

- Actively seeking DBE vendors by obtaining a directory from the Office of Minority and Women Owned Business Enterprises (OMWBE) or contacting equivalent agencies in neighboring states. The OMWBE directory is available at www.omwbe.wa.gov/certification/certification_directory.shtml.
- Encouraging eligible businesses to become certified.
- Documenting all efforts.
- Submitting quarterly reports detailing your organization's total amount of purchases, identifying any purchases from DBE vendors and good faith efforts made. Submit the report to consolidatedgrants@wsdot.wa.gov.

The following will not be considered purchasing from a DBE:

- Purchasing from a vendor who purchased the product from a DBE and then sold it to your organization.
- Purchasing from a MWBE.

Note: Grantees are not required to purchase from the DBE vendor if the price is significantly higher than that of other vendors.

Plan Requirements

If your organization is required to have a DBE plan, you must either develop and implement a DBE plan or adopt WSDOT's plan.

If your organization establishes its own plan you must also:

- Establish DBE purchasing goals.
- Obtain approval of the plan from FTA.
- Submit semi-annual reports to FTA on DBE purchases and good faith efforts.

If your organization chooses to adopt WSDOT's plan, you will need to take the following steps:

- Notify WSDOT of your intentions and discuss potential contracting opportunities.
- Send a copy of the board's acceptance of WSDOT's plan annually.
- Work with the appropriate WSDOT staff member to ensure the projects are included in WSDOT's goal.
- Submit quarterly reports to WSDOT regarding DBE purchases and good faith efforts.

Another Option for DBE Plan

Grantees meeting the contracting threshold because of a specific project, such as a facility project, may petition FTA to establish a project-specific goal. If this option is chosen, contact the FTA Region X Civil Rights Officer at 206-220-4462. If approved, send WSDOT a copy of FTA's approval letter.

DBE Reporting

Regardless of whether a plan is required, grantees must report on all federally funded purchases, list DBEs used and explain good faith efforts. However, the type of report and

how the information is reported will depend on whether a grantee has its own plan, adopted WSDOT's plan or is only required to make good faith efforts.

- If your organization adopted its own plan and goal:
 - Submit reports directly to FTA using the Transportation Electronic Award Management System (TEAM).
 - Send a copy of the report to WSDOT.
 - Contact the appropriate WDOT staff member for reporting instructions only if your organization does not receive funding directly from FTA.

- If your organization adopted WSDOT's plan or is required to only make a good faith effort:
 - Submit reports directly to WSDOT quarterly using the form provided in [Appendix B](#).

Note: If a grantee reports directly to FTA and intends to include funds received through WSDOT in its report, it must notify both WSDOT and FTA of its intentions.

Good Faith Effort

Good faith effort is described the process of taking appropriate measures toward using DBE vendors in purchasing/procurement with federal funds. Some examples include:

- Researching DBE vendors for your projected contracted work and purchases.
- Reporting on a quarterly basis, your efforts to purchase from DBE vendors.
- Documenting your procedures used when researching DBE vendors, and/or your reasoning for not selecting any DBE vendors.

Note: if your agency rejects a bid from a DBE vendor based on price, your procurement policy should state the difference that qualifies or disqualifies a bid (i.e., quotes from DBE vendors within a determined percentage of other bids will be considered competitive with price quotes from non-DBE vendors).

Charter Requirements

FTA's Charter Bus Service Rule, which implements 49 U.S.C. 5323(d), protects private-charter operators from unauthorized competition from FTA grant recipients. Any organization receiving federal funds for any projects should consult with their CL before agreeing to proceed with any charter operations.

The regulations define charter service as follows:

(1) Transportation provided 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 characteristics of charter service:

- A third party pays a negotiated price for the group
- Any fares charged to individual members of the group are collected by a third party
- The service is not part of the regularly scheduled service, or is offered for a limited period of time
- A third party determines the origin and destination of the trip as well as scheduling.

(2) Transportation provided to the public for events or functions that occur on an irregular basis or for a limited duration and:

- A premium fare is charged that is greater than the usual or customary fixed route fare, or
- The service is paid for in whole or in part by a third party.

Examples of services that do not meet the definition of charter service and, therefore, are not considered charter services by FTA are:

- Service requested by a third party that is irregular or on a limited basis for an exclusive group of individuals and the grantee does not charge a premium fare for the service and there is no third party paying for the service in whole or in part
- Shuttle service for a one-time event if the service is open to the public, the itinerary is determined by the grantee, the grantee charges its customary fixed route fare and there is no third party involvement
- When a university pays the grantee a fixed charge to allow all faculty, staff, and students to ride the transit system for free so long as the grantee provides the service on a regular basis along a fixed route and the service is open to the public
- When the grantee sees a need and wants to provide service for a limited duration at the customary fixed route fare.

Charter regulations include **exemptions** and **exceptions**.

Charter Service Exception Report – FTA grant recipients only. This report collects information on any charter services provided. FTA Charter Exceptions reports are due quarterly to WSDOT. These quarterly reports must be sent within 30 days of the end of each calendar quarter. FTA Charter Exceptions Quarterly Reporting Forms are available <http://www.fta.dot.gov/about/15740.html>.

Exemptions

Exemptions, which are not considered charter service, require no notification to registered charter providers, record-keeping, quarterly reporting, or other requirements. The charter service regulation exempts the following services:

1. Transportation of Employees, Contractors, and Government Officials: Grantees are allowed to transport their employees, other transit systems' employees, transit management officials, transit contractors and bidders, government officials and their contractors, and official guests to or from transit facilities or projects within its geographic service area or proposed geographic service area for the purpose of conducting oversight functions such as inspection, evaluation, or review.
2. Private Charter Operators: The prohibitions do not apply to private charter operators that receive, directly or indirectly, federal financial assistance under the over-the-road bus accessibility program or to non-FTA funded activities of private charter operators that receive, directly or indirectly, FTA financial assistance.
3. Emergency Preparedness Planning and Operation: Grantees are allowed to transport their employees, other transit system employees, transit management officials, transit contractors and bidders, government officials and their contractors, and official guests for emergency preparedness planning and operations.
4. Section 5310, 5311, 5316 and 5317 Recipients: The prohibitions do not apply to grantees that use federal financial assistance from FTA for program purposes, that is, transportation that serves the needs of either human service agencies or targeted populations (elderly, individuals with disabilities) under Section 5310, 5311, 5316, or 5317. "Program purposes" does not include exclusive service for other groups formed for purposes unrelated to the special needs of the identified targeted populations.

5. Emergency Response: Grantees are allowed to provide service for up to 45 days for actions directly responding to an emergency declared by the president, governor, or mayor or in an emergency requiring immediate action prior to a formal declaration.

6. Recipients in Non-Urbanized Areas: Grantees in non-urbanized areas may transport employees, other transit systems' employees, transit management officials, and transit contractors and bidders to or from transit training outside its geographic service area.

| Exception | Procedure |
|---|---|
| <p>Exception 604.6 – Government officials on official government business (GO)</p> <ol style="list-style-type: none"> 1. Is restricted to its geographic service area 2. Must not generate revenue, except as required by law 3. Is limited to 80 hours annually. May petition for additional charter hours | <p>Record the following information:</p> <ol style="list-style-type: none"> 1. Government organization's name, address, phone number, and email address 2. Date and time of service 3. Number of government officials and other passengers 4. Origin, destination, and trip length (miles and hours) 5. The fee collected, if any 6. Vehicle number (example, bus 102) <p>Retain the record for three years.</p> |
| <p>Exception 604.7 – Qualified human service organizations (QH)</p> <p>Service to persons:</p> <ol style="list-style-type: none"> 1. With mobility limitations related to advanced age, 2. With disabilities, or 3. With low income <p>Organization must register if it does not receive funds from programs listed in Appendix A of the charter regulation.</p> | <p>Ensure that the human service agency is qualified, that is, it receives funds from programs listed in Appendix A of the charter regulation or has registered on the FTA charter website at least 60 days before the charter request. Record the following:</p> <ol style="list-style-type: none"> 1. QHSO'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. The fee collected, if any 6. Vehicle number (example, bus 102) <p>Retain the record for three years.</p> |

| Exception | Procedure |
|--|---|
| <p>Exception 604.8 – Leasing FTA funded equipment and drivers to a charter service operator (LE) only if the following conditions exist:</p> <ol style="list-style-type: none"> 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 | <p>Record the following information:</p> <ol style="list-style-type: none"> 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. |

| | |
|--|--|
| <p>of accessible vehicles</p> <p>4. The operator has exhausted all of the available vehicles for all registered charter providers in your geographic service area</p> | <p>Retain the record for three years.</p> |
| <p>Exception 604.9 – When no registered charter provider responds to a notice posted on the FTA charter website (WN):</p> <p>1. Within 72 hours for charter service requested to be provided in less than 30 days, or</p> <p>2. Within 14 calendar days for charter service requested to be provided in 30 days or more.</p> | <p>Include the in the e-mail notice sent to the list of registered charter providers:</p> <ol style="list-style-type: none"> 1. Customer name, address, phone number, and e-mail address (if available); 2. Requested date of service; 3. Approximate number of passengers 4. Type of equipment requested, bus(es) or van(s); 5. Trip itinerary and approximate duration; and 6. The intended fare to be charged for the service. <p>If an “undeliverable” notice is received in response to its e-mail notice, fax the notice.</p> <ol style="list-style-type: none"> 1. If service is provided, record the following information: 2. The group’s name, address, phone number, and email address 3. Date and time of service 4. Number of passengers 5. Origin, destination, and trip length (miles and hours) 6. Fee collected, if any 7. Vehicle number (example, bus 102) <p>Retain all records (email sent, undeliverable notice, facsimile, record of charter) for three years.</p> |
| <p>Exception</p> | <p>Procedure</p> |
| <p>Exception 604.10 – Agreement with registered charter providers</p> <p>1. 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.</p> <p>2. Any parties to an agreement may cancel at any time after providing a 90-day notice.</p> | <p>Record the following information:</p> <ol style="list-style-type: none"> 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) <p>Retain the record for three years.</p> |

| | | |
|---|---|---|
| <p>Exception 604.11 – Petitions to the Administrator for:</p> <ol style="list-style-type: none"> 1. Events of regional or national significance 2. Hardship (<200,000 population only) 3. Unique and time sensitive events that are in the public interest | <p>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 submit the petition at least 90 days before the first day of the event.</p> <p>For a hardship request, the exception 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.</p> <p>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.</p> <p>Record the following information:</p> <ol style="list-style-type: none"> 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) <p>Retain the record for three years.</p> | <p>For questions regarding charter regulations and how they may apply to your organization’s services, please contact Tom Hanson at 360-705-7917 or Hansont@wsdot.wa.gov, or visit the FTA charter website at www.fta.dot.gov.</p> <p>Private charter operators and qualified human service organizations are required to register through</p> |
| <p>Note: Charter service hours include: time spent transporting passengers, time spent waiting for passengers and “deadhead” hours.</p> | | |

the FTA charter registration page at www.fta.dot.gov, but all private transportation providers should register as a best practice. In addition, any exempted charter service as identified above must be tracked and submitted quarterly to WSDOT in a charter service exemption report. Qualified human service organizations are exempt from reporting a charter, but are required to track and retain records.

Complaints Alleging Unfair Competition

If a grantee’s expanded services result in a decline in business for a private-sector charter provider, the grantee may receive a complaint alleging unfair competition. Organizations are required to have procedures in place to track, investigate and respond to any complaints received. The procedures must include the following elements:

- Person(s) assigned the responsibility of receiving, investigating and responding to these complaints.
- An appeal process if the individual or organization filing the complaint is unsatisfied with the response.
- An identified mediator or mediation panel in the appeal process that does not include your organization’s employees or board members.

Either party may appeal the decision to WSDOT if unsatisfied with the mediator's decision. Appeals must be filed with the WSDOT director of public transportation or designee within 30 days of the mediator's decision and include the following:

- An original signature of the chief executive officer of the entity filing the appeal.
- The grounds under which the appeal is being filed.
- A copy of the mediator's decision.

A copy of the appeal must be sent by the entity filing the appeal to the other party involved. Once WSDOT receives the appeal, they will review the decision and the procedures followed from the time your organization received the initial complaint. Following review, WSDOT will issue an appeal determination.

Public Agency - Private Sector Transportation Provider Participation

This section applies only to public agencies.

All public agencies receiving FTA funds must allow private mass transportation providers to participate in the project to the maximum extent feasible. Further, public agencies are prohibited from using FTA funds to operate in direct competition with existing private mass transportation providers.

FTA does not prescribe a specific private sector participation process. However, public agencies are required to have an established process to ensure private providers in the area are aware of the agency's intentions. This can be accomplished through coordination of efforts or by holding a public hearing prior to submitting a grant application for the project.

If your organization is planning a new service, it is important to contact any private providers that may be operating in that area. This may take the form of a legal notice advertisement or written notice sent directly to and requesting a response from private providers. Failure to involve private sector transportation providers in the process may result in complaints alleging unfair competition filed with WSDOT and FTA.

School Bus Provisions

Organizations awarded FTA funds are prohibited from providing school bus transportation services in areas where privately owned operators provide such service. School bus transportation is defined as "transportation by bus exclusively for school students, personnel and equipment." Specific details about this regulation can be found in 49 CFR Part 605 located in the electronic reference manual that accompanies this guide. This does not preclude organizations from providing service to students. Contact your WSDOT project manager to determine how to provide this service without violating school bus provisions.

Drug and Alcohol Program Information

FTA drug-and-alcohol-testing requirements and regulations are rigorous, and WSDOT staff will provide technical assistance upon request. For detailed compliance information, FTA published comprehensive guidelines and a best-practices guide including sample policies and forms. These documents are:

- *Implementation Guidelines for Drug and Alcohol Regulations in Mass Transit* (revised August 2002)
- *Best Practices Manual: FTA Drug and Alcohol Testing Program* (published March 2002)

Note: WSDOT provides the grantee's drug and alcohol program manager with the applicable guideline(s) for those required to have a drug and alcohol testing program. These documents are also available at www.transit-safety.volpe.dot.gov/publications.

Drug and Alcohol Testing

Grantees receiving FTA 5339 or 5311 funding through WSDOT are required to have a drug-and-alcohol-testing program that complies with 49 CFR Part 40 and 49 CFR Part 655. If your organization does not receive FTA funding but operates vehicles requiring a commercial driver license, testing must be conducted in accordance with the USDOT Federal Motor Carrier Services Administration (FMCSA) under 49 CFR Part 40 and 49 CFR Part 382. For more information about FMCSA requirements, refer to <http://www.fmcsa.dot.gov/regulations/drug-alcohol-testing/overview-drug-and-alcohol-rules>.

Complying with FTA Requirements

Grantees required to have a drug-and-alcohol-testing program must develop and implement a drug-and-alcohol-testing policy that applies to all safety-sensitive employees and immediate supervisors. Your organization's board must adopt this policy (in the case of a private, for-profit organization, the policy must be signed by the organization's chief executive officer). The policy must then be submitted to WSDOT for approval. In addition, you are required to submit annual reports on your testing programs.

Required Policies

FTA regulations are specific about the minimum contents of the drug-and-alcohol-testing policy detailed in 49 CFR Part 655. Your organization's policy must identify those portions of the policy covered under FTA and USDOT regulations and those which are included under your organization's authority.

FTA allows organizations to refer to the regulations instead of providing detailed information about each element of the policy. However, if your organization chooses not to provide the detailed information, a copy of the regulations must be readily available to employees. While this practice is allowable, it is not necessarily advisable. Your organization should take care when writing the policy to ensure that employees clearly understand what it contains and how they may be affected. Sample policies from FTA's *Best Practices Manual* and a policy checklist are available in [Appendix G](#).

Employees Subject to Testing

Grantees must test all employees performing safety-sensitive duties. FTA defines safety-sensitive duties as:

- Operating a passenger service vehicle, whether or not the vehicle is currently in service.
- Operating a vehicle that requires a commercial driver license (CDL).
- Controlling dispatch or movement of a vehicle.
- Performing maintenance on a passenger service vehicle.
- Carrying a firearm for security purposes.

- Volunteers (when either of the following conditions are met):
 - 1) Must have a CDL.
 - 2) Must have been remunerated for service in excess of costs incurred.

Prohibited Substances Covered by the Test

A grantee's testing program must test for the following drugs:

- Marijuana
- Cocaine
- Opiates (including 6-Acetylmorphine testing for heroin use)
- Amphetamines (including MDMA or Ecstasy)
- Phencyclidine
- Alcohol

Required Training

All safety-sensitive employees must receive 60 minutes of training on the effects of drug use in the workplace. This training must also include information about your organization's drug-and-alcohol-testing program and policy. In addition, the person(s) designated to make reasonable suspicion determinations must receive 60 minutes of training on the physical, behavioral and performance indicators of probable drug use; and 60 minutes of training on the physical, behavioral and performance indicators of probable alcohol misuse.

Drug-and-alcohol program managers should also receive training on FTA requirements. This training is available through the Transportation Safety Institute website at www.tsi.dot.gov.

Additional training may be available through the Washington State Transportation Training Coalition website at www.wsttc.org or by phone at 360-586-1800.

Conducting Drug and Alcohol Tests

FTA requires testing for the six situations listed below. For detailed information about each situation, refer to FTA's implementation guidelines and 49 CFR Part 655.

- Pre-employment
- Reasonable suspicion
- Post-accident
- Random
- Return-to-duty
- Follow-up

Note: If your organization has a zero-tolerance policy, you are not required to conduct return-to-duty or follow-up testing. However, if you hire someone who violated FTA and USDOT regulations while working for a previous employer, you must ensure that the person has completed a treatment program recommended by the employer's substance abuse professional and make arrangements for required follow-up testing.

Employee Tests Positive

If an employee receives a confirmed positive drug test or tests positive for alcohol with a concentration of .04 or greater, the employee must be immediately removed from safety-sensitive duty and referred to the appropriate substance-abuse professional. The employee is not allowed to return to a safety-sensitive duty until the return-to-duty process is complete. For detailed information on the return-to-duty process, refer to FTA's implementation guidelines and 49 CFR Part 40, Subpart O.

Note: If an employee tests positive for alcohol with a concentration of between .02 and .039, you must remove him/her from duty until he/she tests with a concentration below .02 or his/her next duty shift, but not fewer than eight hours following the test.

Pre-Employment Requirements

There are three steps related to the drug-and-alcohol program that must be completed during the hiring process. Basic information about those steps is listed below. For detailed information about each requirement, refer to FTA's implementation guidelines or 49 CFR Part 40.25.

- **Step 1** – Ask the prospective employee if they have ever tested positive or refused to test on any pre-employment drug or alcohol test administered by an employer covered by USDOT regulations. If the answer is yes, you must ensure that the prospective employee has completed the return-to-duty requirements found in 49 CFR Part 40 Subpart O.
- **Step 2** – If the prospective employee has worked for an organization covered by USDOT regulations in the past two years, all drug and alcohol testing information must be obtained from the organization.
- **Step 3** – The prospective employee must submit to a pre-employment drug test at your direction. A negative test result must be obtained prior to placing the person in safety-sensitive duty.

Prescriptions and Over-the-Counter Medications

FTA does not currently require organizations to include over-the-counter drugs and prescriptions in their drug-and-alcohol programs. However, some medications cause side effects that can create safety issues. For this reason, FTA strongly recommends that organizations include information about the use of prescriptions and over-the-counter medicines in their drug-and-alcohol-testing policies.

FTA has a tool kit to assist organizations in developing policies and practices as well as educating employees about the use of prescription and over-the-counter medicines. A copy of the tool kit is available at http://www.fta.dot.gov/RxOTC_April2011.pdf.

Drug and Alcohol Reporting to Department of Licensing

This section applies to your organization if your drivers are required to have a commercial driver license (CDL) to operate service vehicles regardless of whether or not you receive federal funds. Employers subject to drug-and-alcohol testing under 49 CFR Part 655 or 49 CFR Part 382 must report positive test results for employees and applicants who hold CDL licenses to the Department of Licensing (DOL). The reports must be submitted on the form

provided by DOL. The positive test results must be reported under the following circumstances only:

- The positive result is from a pre-employment test.
- The driver is terminated or has resigned.
- Any grievance processes are completed, up to but not including arbitration.
- At the time of termination or resignation, the driver had not been cleared to return to safety-sensitive functions.

Note: The test must be submitted to DOL within three days of the above conditions being met. For the purposes of [RCW 46.25](#), test refusals are considered to be positive test results.

In addition to the reporting requirement, the state law requires organizations to use specific language in their policy and in the contract with their medical review officer.

Review of Service Agents

Your agency may work with a variety of service agents to comply with federal drug-and-alcohol regulations, including a medical review officer, substance-abuse professional and collection sites. Your agency should periodically review the practices of your service agents to ensure compliance with 49 CFR Part 40. Samples of review questionnaires can be found in [Appendix G](#).

Program Compliance and Project Reporting

As a steward of public funds, WSDOT is responsible for ensuring that grant funds are used properly and that organizations comply with the requirements associated with receiving state and/or federal grant funds. WSDOT is dedicated to working together with grantees to provide technical assistance and guidance in meeting those requirements. This section discusses the tools WSDOT uses in assessing and measuring program compliance, and provides an overview of the reporting requirements associated with the funds being managed. To help ensure compliance with state and federal laws as well as program requirements, WSDOT uses:

- In Good Standing Policy
- Risk Assessments
- Reimbursement Requests
- Progress and Statistical Reporting
- Site Visits

In Good Standing Policy

WSDOT is responsible for administering grant funds in accordance with the state and federal laws and regulations. In addition, grant recipients and WSDOT are responsible for oversight and accountability that foster transparency and assist in maintaining public confidence.

All grant recipients will be required to maintain In Good Standing status to receive grant funds.

Performance Requirements for Determining In Good Standing Status

During the course of the project, WSDOT staff will evaluate the following performance requirements:

- Compliance with all contractual obligations and satisfactory progress toward project completion. For the purposes of the grants covered in this guide, satisfactory progress is defined as staying on schedule without unexplained delays or unapproved changes to the project's scope, budget or service operations.
- Adequacy of financial records that document and support all grant expenses.
- Submittal of accurate and timely progress and statistical reports and reimbursement requests.
- Full participation during site visits and project reviews with timely responses to any deficiencies noted during and after the site visit.
- Timely compliance with recommended measures for identified deficiencies.
- Timely and complete responses to any WSDOT communication and requests for information.
- Receipt of a passing score on WSDOT's organization risk assessment.

Consequences for Noncompliance

Grantees that do not meet performance requirements will not maintain In Good Standing status and can expect one or more consequences from WSDOT, including but not limited to:

- Suspended payment of grant funds.
- Written warning to the organization grant project manager, organization executives and board of directors that identifies deficiencies, the necessary remedies and a timeline for those corrections.
- Ineligibility for any additional grant funds either within the current biennium or in future biennia.
- Audit of the organization to determine the extent of compliance with contractual obligations.
- Suspension or termination of the grant contract(s) and loss of grant funds.
- Negotiated return or buyout of any grant-funded capital vehicle or equipment purchase or capital construction project.
- Appropriate legal action.

Nonprofit agencies must hold IRS non-profit status and register with the Washington Office of the Secretary of State. Private, nonprofit applicants that had not applied for WSDOT grant funding prior to 2015-17 should have provided a copy of the IRS Letter of Determination for 501(c) nonprofit status with their application for 2015-17 funds.

Risk Assessments

WSDOT staff evaluates organizations to determine how much technical assistance and oversight may be necessary to help them comply with grant requirements. Risk assessments also help WSDOT staff communicate expectations and identify whether an organization is at

risk of losing its In Good Standing status. For example, organizations that are new to WSDOT public transportation grant management or organizations that have experienced difficulty complying with grant requirements may be designated high risk. Organizations that have a strong track record of grant compliance and project delivery may be designated low risk.

When completing the risk assessment, WSDOT staff will review the grant recipient's compliance with the performance requirements to determine the risk. Risk assessments will be updated annually or more frequently if significant issues arise during the course of a project. For the purposes of the Consolidated Grant Program, a risk assessment will be performed prior to the beginning of each project and updated annually.

Benefits of low-risk status include less frequent site visits or a desk review in lieu of a site visit. High-risk status will result in more engaged WSDOT supervision of projects and may include more frequent site visits.

Risk assessments will be maintained by the WSDOT project manager and discussed openly with the grantee throughout the biennium. Ultimately, WSDOT uses risk assessments to assist with the ranking and award of consolidated grant funds.

Reimbursement Requests

To receive payment for eligible expenses related to the grant agreement, a reimbursement request form must be completed, signed by an authorized representative and submitted to the WSDOT Public Transportation Division. Payments will be withheld if the reimbursement request form is incomplete or inaccurate.

For detailed information on how to request reimbursement, refer to [Appendix A](#).

Quarterly Reporting

In addition to submitting reimbursement requests, all grantees are required to submit quarterly progress reports to Consolidatedgrants@wsdot.wa.gov. Progress reports and financial and statistical reports are due quarterly; no later than 30 days after the end of each calendar quarter. Quarterly reporting is required on operating projects even if all of the grantee's awarded grant funds are exhausted.

This data is used to inform the public as well as federal, state and local officials about the project's progress. In addition, WSDOT community liaisons use the information to evaluate program compliance, project delivery and performance, and the need for technical assistance. Upon execution of your contract, the report forms are provided by WSDOT. Unless otherwise noted, a separate report must be completed for each project. [Appendix B and C](#) provides detailed instructions on how to complete each of the report forms.

Charter Service Exception Report – FTA grant recipients only. This report collects information on any charter services provided. FTA Charter Exceptions reports are due quarterly to WSDOT. These quarterly reports must be sent within 30 days of the end of each calendar quarter. FTA Charter Exceptions Quarterly Reporting Forms are available at [FTA - Charter Bus Service](#).

Physical Equipment and Facility Inventory Report – This annual report collects information on the condition and mileage of grant-funded vehicles, and the condition of grant-funded equipment and facilities. The grantee also certifies that the vehicles, equipment and/or facilities are being used as specified in the grant agreement. It must be submitted

throughout the useful life of grant-funded equipment, is due every Feb. 15 for the prior calendar year and requires an original signature.

Failure to Submit Complete and Accurate Reports

If a report is not received by the due date, is incomplete or includes inaccurate information, any reimbursement requests submitted by the grantee will not be processed for payment until an acceptable report is received.

A grantee that fails to submit required reports in full and in the timeframe identified by WSDOT may lose its In Good Standing status, which may jeopardize the funding for the current project(s) as well as risk the ability to secure future WSDOT grant funds.

Site Visits

WSDOT conducts reviews of all agencies that receive grant funding. Site visits may take place to ensure compliance with both state and federally funded grant programs. The duration of the visit can last up to four hours depending on the type of grants and projects awarded and the issues, if any, found during the visit.

The purpose of a site visit is to:

- Provide organizations the opportunity to consult with WSDOT staff.
- Provide technical assistance.
- Review financial records and processes.
- Review other project records.
- Review required written policies.
- Verify compliance with the regulations associated with the receipt of state and federal funds.
- Review preventative maintenance records and inspect vehicles, equipment and facilities purchased with state and federal funds.
- Confirm the status of capital construction projects.

Frequency of Site Visits

The frequency of site visits depends on the type of project, the funding source and the grantee's existing risk-assessment status. First-time and medium- to high-risk grantees can expect at least an annual visit. Low-risk grantees can expect a full site visit once every two years, with a desk review conducted during the off year. Below is general information regarding site visit frequency:

- **Operating Projects** – Minimum of one visit during the course of the project.
- **Planning Projects** – Minimum of one visit during the course of the project.
- **Capital Vehicle and Equipment Projects** – Minimum of one visit every two years for the useful life of the vehicle or equipment.
- **Capital Construction Projects** – Minimum of one visit every two years throughout the life of the facility.
- **Drug and Alcohol Program Reviews** – Minimum of one visit every three years. This applies only to grantees awarded FTA 5309 and 5311 projects. This review may be scheduled separately or in conjunction with a regular site visit.

Expectations during Site Visits

WSDOT staff members conducting the site visit use a checklist to ensure each grantee is treated equally and all requirements are reviewed. It is expected that grantees will provide similar oversight of any subcontractor relationships connected with grant funding.

WSDOT will contact your organization to schedule a site visit with at least 30 days' notice. WSDOT will send an email confirming the date of the site visit and to request any updated policies and other required documents. All documents received by WSDOT will be reviewed prior to the visit. For capital project reviews, WSDOT will ask grantees to hold one or more vehicles from service the day of the site visit for inspection. The applicable checklist(s) will also be sent in advance for your review.

The onsite portion of the review may consist of three separate components:

- General session covering overall administrative compliance.
- Financial review covering financial records for operating projects.
- Capital review covering:
 - Vehicle inspections
 - Equipment inspections
 - Facility inspections (for construction projects only)
 - Maintenance records of grant-funded assets

Site Visit Deficiencies

Any deficiencies found during the desk or onsite review will be noted on an automated form and discussed both during the review process and at the conclusion of the site visit. WSDOT will summarize its findings in a letter sent within a few weeks of the visit, which will also include suggestions on how the grantee may remedy any identified deficiencies.

All deficiencies, areas of noncompliance and requirements must be resolved within the timeline specified in WSDOT's letter. Follow-up activity (such as submission of missing or updated policies to WSDOT) is usually requested within 60 days after the letter is sent, but can be negotiated to a timeframe suitable to both the grantee and WSDOT.

Once all deficiencies are corrected, send the required documentation to WSDOT. Once WSDOT receives, reviews and approves your documentation, WSDOT will send a letter confirming resolution of any issues identified during the site visit, and that the grantee is found to be In Good Standing with all Consolidated Grant requirements.

For more information regarding the consequences of noncompliance, refer to your grant agreement or the "In Good Standing Policy" section.

Preparing for a Site Visit

Prior to a site visit, WSDOT recommends that grantees review the list of questions on the checklists and submit requested documents and information to WSDOT.

A negative response to any checklist question does not necessarily mean a grantee is not in compliance. It is important that the appropriate grantee staff be available during the entire site visit. Appropriate staff typically includes:

- General Manager
- Operations Manager

- Finance Director (for operating project reviews)
- Drug and Alcohol Program Manager (for drug and alcohol program reviews)
- Maintenance Director (for capital project reviews)

Chapter 2

Guidelines for Operating and Program Development Projects

The information in this chapter applies only to organizations awarded assistance for operating or program development projects. It is designed to help grantees understand the steps necessary to comply with the state and federal requirements associated with receiving operating and program development grants. Regardless of the funding sources assigned to a project, the Washington State Department of Transportation (WSDOT) requires all organizations to follow the cost principles standards and administrative requirements outlined in the following federal regulations:

- Administrative requirements in the Code of Federal Regulations (CFR) 49 CFR Part 18 (State, local or Indian tribal governments) or 49 CFR Part 19 (non-profits, hospitals, and institutions of higher education), whichever is applicable.
- Accounting requirements in the Office of Management and Budget (OMB) requirements codified under 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and/or 48 CFR Part 31(private for profit), whichever is applicable.

Note: Internet links to these documents can be found in [Appendix G](#). Effective December 31, 2014 OMB circulars A-87 and A-122 were superseded by 2 CFR Part 200.

The most important concepts to remember while managing an operating project are to:

- Implement policies and procedures that ensure compliance with state and federal laws and regulations.
- Ensure all accounting and administrative procedures comply with OMB circulars, Federal Transit Administration (FTA) regulations, and state regulations.
- Carry out the project as it is prescribed in the grant agreement.

Note: Grantees must also follow the guidelines found in [Chapter 1](#).

Operating Projects

Organizations are awarded operating grant funds to support passenger transportation service projects. Grantees are reimbursed for actual eligible expenses, less passenger fares and/or, donations and revenue provided by participating organizations to support the project local match. Expenses may include both direct and indirect costs (if approved by WSDOT). There must be an operating deficit to qualify for a reimbursement. For more information, refer to the Operating Deficit section on [page 2-8](#).

Volunteer Drivers

Many organizations rely heavily on the use of volunteers to provide services to the general public and persons with special transportation needs. Operating a volunteer driver program can be challenging. To better assist organizations with establishing and managing a volunteer driver program, the Agency Council on Coordination (ACCT) updated and re-published *Volunteer Drivers – A Guide to Best Practices* in 2013. It also outlines various requirements and provides information on best practices found throughout the United States. To receive

a copy of the guide, contact a WSDOT Public Transportation Division staff member. The guide is also available at www.wsdot.wa.gov/transit/training/vdg/default.htm.

If your project uses volunteer drivers, your agency is required to have a volunteer driver policy.

Using Personal Automobiles for Passenger Transportation

The ACCT *Volunteer Drivers Guide* outlines the minimum requirements for the approved use of personal automobiles for passenger transportation services. The requirements state that these vehicles shall have:

- A valid state license and registration.
- Fully functioning heating and ventilation systems.
- Fully functioning, clean, and accessible seat belts that meet state and federal guidelines.
- Functioning doors and handles on all doors.
- An accurate speedometer and odometer.
- Windows free from cracks. Any windshield chips must be properly sealed and must not hinder vision.
- Functioning interior lighting within the passenger compartment.
- Adequate sidewall padding and ceiling covering.
- Two exterior rear view mirrors, one on each side of the vehicle.
- Seats that are not damaged or broken and are in good working order. Seats must be free from protruding sharp edges, etc.
- Functioning lights, turn signals, and windshield wipers.
- Tires with tread depth that exceeds state minimum requirements.

Program Development Projects

Organizations are awarded program development grant funds for a variety of planning purposes associated with meeting the public transportation needs of a community. As with operating projects, grantees are reimbursed for actual eligible expenses, less revenue provided by the organization or another entity to support the project.

Eligible Services

The grant agreement with WSDOT outlines the eligible services under each project. It also identifies the funding sources used for the project(s) and the eligible service modes (fixed route, demand response, etc.). Only services identified in the grant agreement are eligible for reimbursement.

At a minimum, the services must be eligible for the type of funding awarded for the project. Below is a list of funding sources that provide funding to support public transportation operations and, in some cases, program development.

- State Funding
 - Rural mobility – competitive
 - Rural mobility – transit formula
 - Paratransit special needs – non-profit competitive

- Paratransit special needs – transit formula
- Federal Funding
 - 5310 – Enhanced Mobility for Seniors and Individuals with Disabilities
 - 5311 – Formula grants for Rural Areas
 - 5316 – Job Access and Reverse Commute (JARC)
 - 5317 – New Freedom

Eligible Direct Expenses

An eligible direct expense must be directly related and attributable to the project and the expense must be necessary and reasonable in amount to be eligible for grant reimbursement. Examples of direct expenses include, but are not limited to:

- Driver's and/or dispatcher's wages and benefits
- Vehicle fuel
- Vehicle maintenance costs
- Purchased transportation services (Purchase of Service contracts)
- Marketing and public outreach for the project

Purchase of Service (POS) contracts are subject to procurement requirements identified in both Chapters 1 and 3 and should be competitively awarded and pre-approved by WSDOT for compliance and eligibility. WSDOT staff is available to help determine which requirements apply.

There are conditions on certain types of expenses. The following information will assist with determining what expenses are eligible.

Personal Vehicle Mileage for Volunteers

Occasionally, organizations use volunteers to transport the general public and persons with special needs. This is an eligible activity if all of the following conditions exist:

- A written policy must be in place regarding the use and reimbursement of volunteer drivers using their own vehicles.
- Volunteers must be under a contract with your organization.
- Trips provided must not conflict with local taxi operations.
- Shared rides must be encouraged.
- Rides are approved and dispatched in advance of the trip.
- The mileage rate reimbursed to volunteers must not exceed the current state mileage rate. The applicable rate is available at www.wsdot.wa.gov/business/travel.

Travel Expenses

Some employee travel expenses are eligible. Use the following information to determine what expenses are eligible for reimbursement.

Note: The following information applies only to your employees. Travel expenses incurred by board members are not eligible unless authorized by WSDOT. If an employee is awarded a Rural Transit

Assistance Program (RTAP) scholarship to attend training, the local portion (if any) is not an eligible expense for an FTA-funded project.

In-State Travel Expenses

Travel expenses incurred by employees are eligible for reimbursement if the trip is directly related to the project. The reimbursement rate is based on the current per diem and lodging rates for state employees. Rates specific to areas of the state are available at www.wsdot.wa.gov/business/travel.

Out-of-State Travel

As a rule, out-of-state travel is not eligible for reimbursement. However, the trip expenses may be eligible if an out-of-state trip is directly related to the project. A written request must be submitted to and approved by the WSDOT project manager prior to departure. This request must describe the purpose of the trip and how it will benefit the project. A letter of approval or denial will be sent to your organization and should be kept on file.

Note: WSDOT reserves the right to deny the eligibility of some or all of the related expenses for an out-of-state trip. For more travel information and per diem rates, visit the United States General Services Administration's website at www.gsa.gov/portal/category/21287.

Administrative (Indirect) Expenses

Indirect costs are expenses that benefit more than one cost objective or project. Administrative expenses include items such as administrative salaries and benefits (i.e. management, human resources and accounting personnel, etc.), office supplies, utilities, phone services and rent/depreciation. These costs are eligible only if allocated between projects and/or programs carried out by your organization, based on a documented cost allocation plan or indirect cost rate consistently applied to all programs. The cost allocation plan or indirect cost rate must be approved by your cognizant agency (the agency you receive the most grant funding from) prior to receiving any reimbursements under the grant agreement.

Audit Expenses

Audit expenses are typically eligible for reimbursement. However, the costs must be reasonably distributed across all the programs your organization operates. If you receive federal funds, either through WSDOT or another funding organization, additional audit requirements may apply. For additional information on the federal audit requirements, refer to [Chapter 1](#).

Employee Leave

An employee's paid leave is an eligible expense. However, there are eligibility conditions depending on how your organization accounts for leave.

- Organizations that charge leave to the grant as it is earned must:
 - Have a cash-out policy regarding earned and unused leave. The employee must be able to receive a cash payment in the event they leave your organization while still having a paid leave balance.
 - Establish a cash reserve (funded leave pool) or funded accrual covering the dollar value of paid leave earned by employees.

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- Organizations that include paid leave in their approved cost allocation plan may consider the grant allocated proportion of leave as an eligible grant expense.

Organizations that charge employee leave to the project as it is taken may do so. However, leave balances paid at the time the employee leaves the organization is only allowable as an indirect cost spread across all activities of the organization and may not be charged as a direct expense to the grant.

Lease of Passenger Service Vehicles or Facilities

Expenses associated with leasing passenger service vehicles or other related facilities are only eligible if the expenses are identified in the grant application budget or otherwise approved in advance by WSDOT.

Depreciation

Depreciation spreads the actual cost of a capital asset over its predetermined useful life. For the purposes of grant projects, FTA requires straight-line depreciation of capital assets.

Capital assets are any tangible items that are:

- Identified as having a useful life expectancy of more than one year.
- Purchased for a unit price of at least \$5,000. Organizations may approve a dollar threshold less than \$5,000. For the grant, organizations must use \$5,000 or its own policy, whichever amount is less.
- Maintained in physical inventory records.

In general, depreciation is an eligible operating grant expense. However, certain conditions apply:

- Depreciation on assets purchased in whole or in part with state or federal grant funds are not eligible.
- The applicable revenue received for the depreciation expense must be placed into a capital reserve account.

Ineligible Expenses

Some expenses are ineligible for reimbursement under your grant agreement even if they were incurred during the normal course of business. Selected items of allowable and unallowable costs can be located in 2 CFR Part 200. Unallowable costs include, but not limited to:

- Fines
- Bad debt
- Alcoholic beverages
- Advertising and public relations costs not directly associated with the project
- Costs of fundraising

Grant Agreement Funds

“Grant Agreement Funds” represents the mix of funding planned to be used to complete the grant project(s). “Contractor’s Funds” represent the grantee’s local share of the project costs.

The total federal, state and local share of the grant funding is located on the front page of the grant agreement with WSDOT. However, each project may have a different match requirement depending on the funding sources awarded. Grantees will be held to the match ratio identified for each project in the grant agreement.

Match Requirements

Match represents your organization's share of the total project cost. The matching requirement for each project may vary depending upon the level of matching funds identified in the grant agreement. If the agreement has only one project, the specific local match for the project is identified on the first page of the agreement. In the case of multiple projects, refer to Exhibit I, 'Scope of Work and Budget' in the agreement for each project's matching ratios. General information regarding matching funds for operating grants is explained below.

Note: The match ratio is calculated by dividing the dollar value of the match pledged for the project by the total project cost. As an example:

If the total project cost is \$100,000 and your organization pledged 35,000 in local or in-kind funds for the project the local match would be 35% with a grant share of 65%.

Eligible Matching Funds

Your organization's portion of the net expenses (gross expense minus fares, donations and ineligible expenses) may be obtained from a variety of sources. Eligible matching funds may include the following:

- Local tax revenues such as sales tax receipts.
- Funds from other public agencies.
- Private donations (except passenger donations).
- Advertising revenue.
- Foundation grants.
- State funds received from agencies other than WSDOT.
- In-kind services, including labor (see the Project Records section on [page 2-9](#) for more information).
- Revenue from other grants awarded to your organization.
- Federal Funds:
 - Federal funds from any source may be used to meet match requirements for grant projects that provide only state funds.
 - Non-USDOT federal funds.
- Other funds from your organization not related to the passenger services provided under the project (i.e., freight).
- Reserve funds or retained earnings from your organization.

Note: The local share or match for FTA-funded projects cannot be derived from USDOT funds. However, federal funds passed through a state social service agency (such as Medicaid) are not considered to be federal for the purposes of the Consolidated Grant Program and are eligible for match.

In-Kind Match

In-kind match is the fair market value of goods and services donated to an organization by a third party to support the grant funded project. In-kind contributions directly benefitting the project may be used as match. The value of in-kind services must be formally documented, supported, and represent the fair market value cost that would otherwise be paid by your organization for expenses that are eligible under the grant. Organizations must submit documentation describing the method for establishing the value of in-kind contributions as part of its application for the Consolidated Grant Program. WSDOT must approve in-kind match prior to use.

Sale of Advertising Space

All organizations are encouraged to find additional resources to support their projects. One way of accomplishing this is to sell advertising space on passenger service vehicles. The advertising revenues may be used as match for the project.

Guidelines to Follow

Organizations deciding to sell advertising space on vehicles, shelters or stations must have policies in place indicating the types of advertisements acceptable to post. Some basic guidelines are:

- Advertisements that may be offensive or controversial should be avoided, including but not limited to:
 - Alcoholic beverages
 - Tobacco products
 - Political issues
- Political campaign posters may only be posted if equal opportunity is given to all candidates or positions.

Note: It is illegal to use public funds for political purposes. Items such as personal political posters or posters indicating your organization's position on political issues cannot be posted.

Reserve Accounts

A reserve account is a restricted account where funds are placed and set aside for specific uses. All organizations are encouraged to establish and maintain reserve accounts. Below is a discussion about selected types of reserve accounts. Additional and more detailed information can be found in 2 CFR Part 200.

Establishing a Reserve Account

An organization's governing board must approve a resolution to establish, fund and determine the parameters of reserve accounts. Reserve account restrictions and covenants that determine how funds are allocated and used are identified in an organization's financial plan. Balances in these restricted accounts are to be identified in the cash flow statement and are not included as available cash.

Funding a reserve account is not an eligible expense under the federal or state grant agreement. However, organizations may use local tax revenue or income from other funding sources provided the funding agency agrees with its use. Any amount above the cost to

provide the services associated with the matching source may be a candidate for establishing a reserve account if your organization has satisfied the matching ratio for your project. However, you will need to review the terms and conditions imposed by the funding source you use. If your contract with that entity does not permit a profit or was made based on a line item budget that did not include a reserve account, you cannot use any of the revenue from these contracts to fund the account.

Capital Reserve Accounts

Any revenue placed in a capital reserve account must be for the future acquisition of capital equipment or facilities to be used for passenger transportation services.

Note: The expense of funding a capital reserve account is not grant-eligible. However, organizations may be able to charge either depreciation or a use allowance to the project for capital assets not purchased with grant funds. Depreciation must be calculated using the “straight-line method” and only the allotted depreciation cost for the grant period is eligible for reimbursement. The amount of depreciation that can be charged to the grant is computed based on the acquisition cost of the asset or the fair market value of a donated asset divided by the number of expected service years less any salvage value. Use allowances are for fully depreciated assets that are still used in project service and are generally limited to a very small dollar value that are subject to negotiation and prior approval by WSDOT. Revenues from depreciation and use fees must be applied to a capital reserve account and retained for capital asset replacement purposes.

Self-Insurance Reserve Accounts

A self-insurance reserve account may be established to provide self-insurance for liability, collision, on-the-job injury or other agency-provided coverage. In the case of organizations purchasing commercial or pool coverage, this reserve account may also be used to cover uninsured losses, such as the cost of the deductible.

Operating or Working Capital Reserve Accounts

Operating reserve accounts and working capital accounts are generally established to fund extraordinary, unanticipated operating situations. As with all reserve accounts, funding and uses are determined by board resolution.

Operating Deficit

In order to qualify for competitive operating grant funding, there must be an operating deficit equal to the subsidy requested. To determine if your organization has an operating deficit, use the following formula.

- Determine net operating expenses: gross expense, less farebox collections and ineligible expenses.
- Add all the operating revenue used for the project to determine total revenue. Do not include the funds from the grant award or local funds either deposited in a reserve account or used for capital purchases as revenue. Typical revenue may include:
 - Local tax revenue
 - State and local subsidies
 - Interest income
 - Advertising revenue
 - Freight revenue

- Net income from contract service
- Other operating subsidies (i.e., Medicaid or Title III)
- Miscellaneous revenue
- Unreserved retained earnings

An operating deficit can be determined by subtracting the total operating revenue from the net operating expenses.

In all cases, operating deficits must be calculated based on actual operating income received and earned less actual expenses paid and incurred. A negative balance equals your organization's operating deficit subject to grant reimbursement.

Project Records

Grantees are expected to keep project records in order to adequately document project activities and costs. The procedures used for recordkeeping must comply with 2 CFR Part 200. WSDOT uses the OMB circulars, Governmental Accounting Standards Board (GASB) and Generally Accepted Accounting Principles (GAAP) as standards when assessing if an organization has adequately documented project costs.

Compliance with OMB Circulars

To comply with the OMB circulars, grantees are required to keep a separate set of accounts (or a subaccounts within an accounting system) that clearly identify project costs and associated revenue. In addition, accounting records must include:

- Vouchers or purchase orders prepared for all payments made to vendors. These vouchers must identify:
 - Goods or services purchased.
 - Name of the vendor from which the purchase was made.
 - Name of the program(s) charged for the expenses.
- Time sheets for each employee charging to the project. The time sheets must include the hours spent working on the project.
- If your matching funds include in-kind contributions, you must retain documentation which identifies:
 - WSDOT approval of in-kind use.
 - The means by which value of goods or services was determined.
 - Names of the individuals and/or organizations that provided the goods or services.
 - Goods or services provided by those individuals or organizations.

Note: Grantees should have submitted documentation describing the method for establishing the value of in-kind contributions as part of the application materials for the Consolidated Grant Program. In addition, the value of the in-kind goods and services must be included as an expense for the project as well as a matching source.

Additional Required Records

Grantees are also required to retain the following information related to the project.

- Ridership numbers and ridership trends.
- Operating hours and miles.
- Schedule reliability.
- Revenue miles.
- Marketing materials.
- Schedules.
- DBE purchasing efforts (FTA-funded projects only).
- Program income.
- Charter services.
- Job Access Reverse Commute (JARC) and New Freedom funding.
- Any information helpful in showing the success of the project.
- Other records identified elsewhere in this guide.

Requesting Reimbursement for Operating, Mobility Management, or Program Development Projects

To receive payment for eligible expenses incurred under the grant agreement, a reimbursement request form must be completed, signed by your financial manager or authorized representative and submitted to the WSDOT Public Transportation Division. If the reimbursement request form is incomplete or inaccurate, payments will be withheld until the form is corrected and approved.

All required quarterly progress reports must be submitted prior to a payment being processed. WSDOT prefers reimbursement requests be submitted quarterly. Although reimbursement requests may be submitted as frequently as once per month, grantees must submit a reimbursement request at least once per quarter.

Attention: WSDOT fiscal year closing requirements

Although WSDOT operates on a state biennial for full fiscal closing, we also perform a mid-biennial closing each year. To ensure timely payment, a reimbursement request or an estimate of charges must be submitted by July 15, 2015 for any unreimbursed eligible expenses incurred between July 1, 2015, and June 30, 2016. The final reimbursement request must be received by WSDOT within 30 days of the completion of the project or by July 15, 2017, whichever comes first. Reimbursement requests received after July 15, 2017 may not be eligible for payment.

Refer to [Appendix A](#) for examples of reimbursement request forms and detailed instructions for completing the forms.

No Operating Deficit

Organizations with a net profit for the operations of services are not eligible to receive operating assistance. However, payments are calculated based on project-to-date expenses versus project match. It is not uncommon to have net profits for one quarter and net losses for another quarter. If during the duration of the project the overall result is a deficit, you may request reimbursement for that shortfall. In this case, the reimbursement request must include the project to date expenses and match, not just those for the period with an operating deficit.

Note: Quarterly progress reports (QPRs) must be completed and submitted to WSDOT at least once per quarter throughout the entire contract period, even if the grant funds are exhausted and the reimbursement amount requested is zero.

This chapter contains information and guidelines associated with vehicle (rolling stock) and other equipment procurements as well as the management of vehicles and equipment purchased with state or federal grant funds. This chapter explains the requirements necessary for the grantee to successfully complete the project.

Note: To ensure project compliance, it is important for the grantee's appropriate staff to read the entire grant agreement and confirm the accuracy of the *Scope of Work and Budget*. Many of the agreement's contract provisions describe the required procurement, billing and usage requirements for capital assets acquired with federal or state funds. Grantees must also follow the guidelines found in [Chapter 1](#).

Eligible Use of Vehicles and Equipment

All vehicles and equipment purchased with grant funds must be used to support the passenger transportation services described in the grant agreement. At a minimum, the services provided with the vehicles must be eligible for the funding sources awarded for the project. Additionally, it is WSDOT's policy that grant funds shall not be used to replace "spare" vehicles.

Local Match

Each grant program administered by WSDOT has specific local match requirements and parameters in the grant agreement. The following is a brief summary description of each grant program's match requirements:

- **Consolidated Grant Program** – includes FTA programs 5310, 5311, 5316 and 5317.
 - The match requirement varies and is specified in the grant agreement.
 - Federally funded grants require a 20 percent match from non-federal sources.
 - The match must be in the form of cash.
 - The match cannot be derived from sources that place any restriction on the services provided with the equipment or place a lien on the equipment.
 - **Discretionary Grant Programs** – includes FTA programs 5339, 5309, and 5308.
 - The match requirement is 20 percent but can vary by Notice of Funding Availability.
 - The match must be in the form of cash unless otherwise specified.
 - The match cannot be derived from sources that place any restriction on the services provided with the equipment or place a lien on the equipment.
-

Note: Acquiring vehicles to comply with or maintain compliance with ADA or the Clean Air Act can cover 85 percent of net project costs. FTA grants for vehicle-related equipment needed to comply or maintain compliance with ADA or the Clean Air Act remains at 90 percent of the incremental net project cost.

- **Surface Transportation Program (STP/Flex)**
 - Federally funded grants require between 13.5 and 20 percent match from non-federal sources.
 - The match must be in the form of cash.

- The match cannot be derived from sources that place any restriction on the services provided with the equipment or place a lien on the equipment.
- **Veteran’s Initiative grants**
 - The match requirement is 20 percent.
 - The match can be either cash or eligible in-kind.
 - Up to 10 percent of the project’s administration cost is an eligible expense.

Importance of Making Progress with Purchase(s)

While it is important that grantees communicate and work with the assigned community liaison throughout the development, implementation and completion of a project, it is critical that the community liaison is notified as soon as problems arise associated with the capital project. This is especially important with problems or complications that delay project startup or vehicle/equipment orders. WSDOT Public Transportation staff will assist grantees to ensure successful implementation of the capital project. It is crucial that grantees initiate the purchase of grant-funded vehicles and equipment in a timely manner.

Note: Quarterly Progress Reports (QPRs) are required to be submitted to the WSDOT community liaison until the project is completed.

State Funds Expire June 30, 2017

Organizations awarded state grant funds through the Consolidated Grant Program must take delivery of and accept all grant-funded vehicles and equipment on or before June 30, 2017. Vehicles and equipment received after this date will not be eligible for reimbursement.

Federal Funds Must Be Used in a Timely Manner

WSDOT is responsible for ensuring that FTA grant projects are completed in a timely manner. Therefore, WSDOT established the following policy regarding time limits for initiating the procurement process for federal capital vehicle and/or equipment grants.

Capital vehicle and equipment acquisition grants are awarded to satisfy the immediate needs identified in the current biennium. Capital grants where the procurement process has not been initiated in the biennium the funds were awarded shall be deemed as not an immediate need and the organization will be subject to forfeiture of its capital grant funding. Capital projects may receive an exemption from this requirement only upon written request and WSDOT written approval demonstrating the unforeseen circumstances to justify a delay in procurement.

The Procurement Process

State and federal funds for vehicles and equipment have specific procurement rules, procedures and requirements that grantees must follow. The following information describes the processes and requirements associated with purchasing vehicles and equipment. For additional information on FTA-funded procurements, read FTA Circular 4220.1F, Super Circular 2 CFR Part 200, 49 CFR Part 18 for governmental agencies, transits and tribes; or 49 CFR Part 19 for nonprofits, hospitals and higher education and Circular 5010.ID.

For additional procurement information and assistance, contact WSDOT’s vehicle and equipment procurement staff.

WSDOT's Role in Procurement

WSDOT is responsible for ensuring that grantees follow the prescribed state and federal grant fund requirements associated with the use of these funds for vehicle and equipment procurements. WSDOT is involved throughout the procurement process, including Request for Proposal (RFP)/Invitation for Bids (IFB) development; contract development, award, and administration. WSDOT also monitors each grantee throughout the project to ensure compliance. Some of the areas reviewed for compliance include, but are not limited to, the following:

- RFP/IFB compliance with state and FTA requirements.
- Ensuring grantees are using Disadvantaged Business Enterprise vendors, when appropriate.
- Ensuring the grantee purchases vehicles and equipment through a competitive process.
- Ensuring the vehicles and equipment purchased are consistent with the grant agreement.
- Ensuring administration of the contract is consistent with the terms and conditions set forth in the RFP or IFB.
- Ensuring the grantees properly submit requests for reimbursement in a timely manner.
- Ensuring the vehicles and equipment meet the required MAP-21 safety standards.

Note: FTA will issue a rule for implementing the MAP-21 safety testing standards for rolling stock. In the interim, the Altoona bus-testing process still applies.

If grantees choose to purchase vehicles from the Washington State Department of Enterprise Services – Contracts & Legal Services (DES-CLS), WSDOT Public Transportation Vehicle and Equipment Procurement staff will assist grantees with instructions for ordering vehicles and provide a DVD with required procurement documentation.

Grantee's Role in Procurement

Grantees are responsible for procuring vehicles and equipment per the terms described in the grant agreement. There are several alternatives for procuring the vehicle(s) and equipment with grant funds:

- Purchase from current DES-CLS contract(s) at www.des.wa.gov.
- Piggyback from an existing eligible contract with another agency.
- Conduct your own procurement or participate in a joint procurement with another organization.

Note: FTA "Dear Colleague" letter (3/8/2013) – Piggybacking restrictions (excerpt):

"Generally speaking, FTA encourages recipients to use joint procurements, particularly among smaller transit agencies. Recipients often can obtain better pricing by combining their requirements into larger joint purchases. However, they must limit their joint procurement to the amount of property and services required to meet each of their reasonably expected needs, and are prohibited from improperly expanding the procurement to include excess capacity simply for the purpose of assigning contract rights to others at a later date. Accordingly, FTA permits the assignment of unneeded contract rights to another transit agency—piggybacking—only when a recipient has unintentionally acquired more goods and options than it needs to support its transit system."

Grantees that intend to purchase from the DES-CLS contract(s) or piggyback using another eligible organization's procurement contract have specific responsibilities to follow. Some of these include, but are not limited to:

- Determining if your agency is eligible to purchase from state contracts and obtaining advanced written approval from WSDOT to proceed with your purchase.
- Obtaining advanced written approval from another agency/organization allowing your agency to piggyback off its current procurement contract. This usually involves both parties signing an inter-local agreement that assigns an available option(s) to your organization to purchase from the existing contract.
- Following state and FTA procurement regulations and procedures.
- Participating in pre-award and post-delivery audit processes when applicable.
- Obtaining written approval from WSDOT for vehicles and equipment specifications and costs prior to award and contract execution.
- Awarding, executing and administering the vendor contract for the purchase of the vehicles and equipment.
- Providing required documents to WSDOT in a timely manner.
- Inspecting vehicles and equipment to ensure:
 - The vehicles and equipment delivered meet the general and technical specifications.
 - The vehicles and equipment are in good working order with no apparent cosmetic or mechanical defects.
- Issuing timely notification (e.g., within 15 days from delivery) to the vendor of vehicle and equipment acceptance or rejection.
- Paying the vendor in a timely manner per the terms of the purchase contract. This is typically 30 days from the date of acceptance.
- Maintaining all required documentation and records of the procurement process in your organization's procurement files.

Note: If a grantee intends to piggyback another organization's eligible procurement contract, documentation of written approval from the organization must be provided to WSDOT before proceeding with the procurement. The grantee must also request and obtain approval from WSDOT. The grantee is responsible for obtaining copies of all procurement documents as if the grantee had conducted its own procurement process. Review the Procurement File Contents Checklist located in [Appendix E](#) for specific information. All procurement-related records and documentation must be maintained for six years beyond the useful life of the vehicles and equipment.

Initiating Procurement Options

Grantees should begin exploring procurement options as soon as a WSDOT grant-award notification is received. WSDOT community liaisons work with grantee staff to develop and finalize a *Scope of Work and Budget* for all funded capital projects. The grant application and the WSDOT grant award are used to ensure that the grant agreement contains a comprehensive, accurate description of the project. Based on the *Scope of Work and Budget*, the grantee may select a preferred procurement option. WSDOT vehicle and equipment procurement staff can assist with determining which procurement method is best suited for the type of vehicles and/or equipment purchased. The timeline for acquiring

vehicle(s) or equipment and the level of procurement experience among your organization's staff may dictate which procurement option will serve you best.

When developing your agency's procurement plan, consider the type of funds awarded (state or federal) and the nature and size of the procurement. Specific requirements may be triggered depending on the item(s) to be purchased and the overall costs of the purchase(s). These considerations are discussed below.

State-Funded Procurements

Grantees using state funds to purchase vehicles and equipment must go through a competitive procurement process. The procurement process must be in accordance with each grantee's purchasing policies and follow all applicable state laws. Grantees must submit their purchasing policies and procedures along with the bid documents to WSDOT for review and approval prior to bid solicitation. Any grantee that does not obtain procurement approval from WSDOT may not be eligible for reimbursement. For procurement assistance, contact WSDOT vehicle and equipment procurement staff.

Note: State funds have no pre-award authority. It is important to remember that any costs incurred prior to the beginning date of the grant agreement will not be eligible for reimbursement.

FTA-Funded Procurements

Grantees using FTA funds to purchase vehicles and equipment must comply with applicable FTA third-party contracting requirements identified in FTA Circular 4220.1F, 2 CFR Part 200, 49 CFR Part 18 or 19 (depending on agency type) and all applicable state laws. Grantees that choose to participate in state procurements must, at a minimum, comply with six specific federal requirements found in FTA Circular 4220.1F (also located in [Appendix G](#)):

- A requirement for full and open competition.
- A prohibition against geographic preference.
- Inclusion in contracts of all the Federal clauses required by Federal statute governing procurement for such services.
- Award to responsible contractors.
- For rolling stock, a five-year limitation on the contract period of performance.
- Comply with the Brooks Act for procurement of architectural and engineering services.

Note: FTA is considering a one-year pilot program that bases hiring preferences on geography. It was previously disallowed due to concerns about adverse impacts on competition. This will only affect construction contracts awarded or advertised in FY 2015. Based on the findings of this program, USDOT may provide further guidance regarding such restrictions.

Governmental sub-recipients of the state: Each governmental sub-recipient may use state procurement procedures for its third-party contracts. Only the FTA Circular 4220.1F provisions identified above, 2 CFR Part 200, and USDOT regulations, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," 49 CFR Part 18, applicable to the state apply to procurements by the state's governmental sub-recipients.

Private nonprofit sub-recipients of the state: Only the FTA Circular 4220.1F provisions identified above, 2 CFR Part 200, and USDOT regulations, “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Educations, Hospitals and other Nonprofit Organizations,” 49 CFR Part 19, apply to a nonprofit sub-recipient of the state.

Note: Governmental sub-recipients include transits, local governments and tribes.

Procurement Levels

FTA identifies three unique categories of purchases: micro-purchases, small purchases and large procurements. Micro- and small purchases are exempt from Buy America provisions.

Micro-Purchases – Procurements less than or equal to \$3,000. If permitted by state and local law, you may acquire equipment valued up to \$3,000 without obtaining competitive quotations. The following procedures apply to micro purchases:

- Micro-purchases should be equitably distributed among qualified suppliers.
- Grantees may not divide or reduce the size of the procurement expressly to be within the micro-purchase limit.
- Grantees should document that the purchase was “fair and reasonable” with a description of how this determination was made (FTA does not require that a rationale be provided for the procurement method used, selection of contract type, or the reason for contractor selection or rejection).

Small Purchases – Procurements greater than \$3,000 but less than \$150,000. Lower thresholds may be set for small purchases in compliance with state or local laws, or as organizations deem appropriate. The following procedures apply to small purchases:

- Perform an independent cost estimate (discussed later in this chapter).
- Avoid unreasonable qualifications, specifying brand-name products without allowing offers of an equal product, and geographic preference.
- Clear, accurate and complete specifications that provide for full and open competition.
- Contract-term limitation should be considered to foster competition, pricing, fairness and public perception. Contract extensions that amount to an out-of-scope change will require a sole-source justification.
- Grantees must obtain documented price or rate quotations from an adequate number of qualified sources.
- Grantees cannot divide or reduce the size of the procurement to avoid the additional procurement requirements applicable to larger acquisitions.
- Grantees must perform a cost or price analysis (discussed later in the chapter).

Large Procurements – These procurements (\$150,000 or more) require a formal bid process and must adhere to all FTA procurement requirements (including Buy America) regardless of whether an ITB or RFP process is followed. The vehicles and equipment procurement must be publicly solicited and the vehicles and equipment specifications should follow the Full and Open Competition Principle (BPPM 2.4.2.1) and not restrict competition. Bid documents must be approved by WSDOT prior to solicitation.

- **ITB** – Award is based on the lowest responsive bid (i.e., lowest cost). This method is well-suited for uniform goods and services readily available and comparable in quality and function. Depending on the level of experience among the grantee’s staff, the procurement process may be conducted directly.
- **RFP** – Award is based on a combination of cost and non-cost factors that equate to “best value.” This method is ideal for unique goods and services that vary in design and quality and may not be readily comparable. This method is also used if the grantee has not determined a product or service, relying instead on the contractor/vendor to propose a solution. In this case, the grantee would evaluate the proposals to determine which best satisfies its needs. Depending on the level of experience among the grantee’s staff, the procurement process may be conducted directly.
- **Joint Procurement** – Whether ITB or RFP, the grantee jointly participates in another transit agency’s or organization’s bid. This requires all parties to agree on a common specification for a product and then commit to the results of the joint procurement, including quantities to be purchased.

Note: In some instances, a grantee’s purchase threshold may be in conflict with state or federal requirements. Grantees must apply the lowest appropriate threshold when using state or federal funds.

Type of Procurement

The product or service may also affect the procurement requirements. FTA requires specific provisions, clauses and certifications depending on the type of procurement:

- Rolling stock
- Equipment, materials and supplies
- Purchase of service; e.g., operations/management ([Chapter 2](#))
- Professional services; e.g., architectural and engineering ([Chapter 4](#))
- Construction ([Chapter 4](#))

While many of the requirements apply to all types of procurement, each procurement may vary based on the combination of cost and product/service. Vehicle and equipment procurement staff are available to help grantees determine which requirements will apply.

Note: A list of the required provisions, clauses and certifications required depending on the type of procurement can be found at the end of this chapter.

Basic Requirements

Depending on the procurement method selected, grantees are required to submit the following documents to WSDOT for review and approval prior to placing an order.

Purchasing from Washington State Master Contracts

- An itemized price quote and product specifications from the vendor.
- Floor plan from the vendor (vehicles only).

DES will confirm the grantee is eligible to purchase from the state contract and that the price quote and options conform to the contract. WSDOT will notify the grantee that they may

proceed with the procurement. Upon WSDOT's approval to proceed, the grantee must submit a copy of the purchase order or purchase contract to WSDOT Vehicle and Equipment Procurement.

Piggybacking from another Eligible Purchasing Contract

- Copy of the original procurement contract.
- A signed inter-local agreement or contract to exercise an option from the agency holding the purchase contract.
- Pre-award certifications.
- An itemized price quote and product specifications from the vendor.
- Floor plan from the vendor (vehicles only).

WSDOT vehicle and equipment procurement staff will review the procurement contract to ensure that it complies with federal requirements and includes an assignability clause. Upon WSDOT approval to proceed, the grantee must submit a copy of the purchase order to WSDOT vehicle and equipment procurement staff.

Conducting Your Procurement or Participating in a Joint Procurement

This requires separate approvals from WSDOT before issuing the bid documents and before awarding the contract.

- Proposed bid documents (discussed later in this chapter).

Once WSDOT approves the bid documents, the grantee must submit the following information and documents to WSDOT:

- Grantee's basis for determining contract award.
- Proposed vendor award contract with appropriate clauses.
- Vendor pre-award compliance certifications for:
 - Americans with Disabilities Act (ADA)
 - Federal Motor Vehicle Safety Standards (FMVSS), if applicable
 - Altoona bus testing, if applicable
 - Debarment and Suspension, if procurement > \$25,000
- Procurements exceeding \$100,000:
 - Pre-award Buy America Act
 - Pre-award purchaser's requirement
 - Transit Vehicle Manufacturer (TVM) certification, if applicable
 - Lobbying certification

Note: The grantee may only proceed with the contract award after receiving WSDOT second approval. Grantee must submit copies to WSDOT of any purchase orders for grant-funded purchases under this procurement contract.

Allowable Contracts (FTA C 4220.1F, Cap VI, 2)

Federally funded procurements are limited to the following contract types:

- Firm fixed price

- Cost reimbursement
- Purchase order
- Incentive contract

Prohibited Contracts or Contracts with Specific Restrictions

- Cost plus percentage of cost contracts (prohibited)
- Time and materials cost reimbursement (specific restrictions)

Time-and-materials contracts can only be used if no other contract type is suitable and must contain a firm-ceiling-price provision.

Common Areas of Deficiency

Regardless of the type or size of the procurement, overlooking any of the basic requirements can cause your procurement to be ineligible for federal participation. Some of these common deficiencies are discussed below.

Purchasing Policies and Procedures (FTA C 4220.1F, Chap III & VII)

Written standards of conduct should be incorporated in the organization procurement policies and procedures specifying how the organization will procure various items, including goods and services. At a minimum, they should cover ethics, purchase authority, purchase thresholds, basis of award, and protest and appeal processes. See [Chapter 1-14](#) for detailed information regarding each of these provisions.

Written Record of Procurement (FTA C 4220.1F, Chap III, 3.d(1))

Grantees are required to maintain and make available records detailing the history of each procurement. At a minimum, records must include:

- The rationale for the method of procurement.
- The reason for the selection of the contract type.
- The reason for the contractor/vendor selection or rejection.
- The basis for the contract price.

Independent Cost Estimate (FTA C 4220.1F, Chap VI, 6.)

With every procurement action, grantees must make and document independent estimates before receiving bids and proposals. This can be accomplished by obtaining estimates from published price lists or catalogs, engineering or technical estimates, independent third-party estimates, or past pricing, if still relevant. These actions should be taken when you list the estimated capital budget in the grant application.

Geographic Preference (FTA C 4220.1F, Chap IV, 2.a. (4)(g))

Grantees shall conduct procurements in a manner that prohibits the use of statutory 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.

Note: This requirement does not pre-empt Washington state licensing laws for vehicles. However, not possessing a state vehicle dealer license does not exempt that vendor from submitting a bid for

consideration.

Note: Reciprocal procurement agreements in which special consideration is given to a third-party contractor for past, present or future business relationships are ineligible for federal participation.

Inclusion of All Federal Clauses in Contracting

When contracting with federal funds, many of the provisions in your agency's grant agreement "pass through" to third parties, and grantees are required to include the appropriate federal clauses in their procurement contracts.

Some of these clauses are required in all contracts, while others only apply to certain monetary thresholds or types of procurements. A table identifying applicable third-party contract provisions is included at the end of this chapter. Alternatively, the required federal contract clauses and certifications can be queried using RTAP's Procurement Pro through the National Rural Transit Assistance website at www.nationalrtap.org/webapps/procurementpro.aspx.

Some federal clauses require the vendor to certify compliance with federal terms, such as debarment and suspension, lobbying, and Buy America provisions. A table listing the various certifications that typically apply is provided at the end of this chapter.

Note: Due to the complexity and strict enforcement of the Buy America provisions, the grantee may wish to seek additional technical assistance from WSDOT staff on this topic.

Buy America (49 CFR Part 661)

Procurements exceeding \$100,000 must meet Buy America standards unless a waiver exempting the purchase from Buy America requirements has been granted by FTA.

FTA may waive the general requirements of Buy America if the FTA Administrator determines that:

- They would be inconsistent with the public's best interest.
 - The materials for which the waiver is requested are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality.
 - The inclusion of a domestic item or domestic material increases the cost of the contract between the grantee and the supplier for that item or material by more than 25 percent.
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Note: MAP-21 does not make any changes to Buy America waivers. However, MAP-21 does require FTA to publish in the Federal Register and on FTA's website a detailed written explanation of waivers, and submit an annual report to Congress listing any waivers issued during the preceding year.

All rolling stock and equipment purchased with FTA capital assistance must still meet Buy America requirements (49 USC § 5323(j) and 49 CFR Part 661). This requirement varies depending on the item purchased.

For rolling stock, 60 percent of the total cost of the vehicle must be from domestic sources and final assembly must occur in the United States. Regarding equipment and construction materials, no FTA funds may be obligated and used unless all steel, iron and manufactured products used in the project are produced in the United States. The general requirements of § 661.5 are reproduced below.

§ 661.5 General Requirements

- (a) *Except as provided in §661.7 and §661.11 of this part, no funds may be obligated by FTA for a grantee project unless all iron, steel, and manufactured products used in the project are produced in the United States.*
- (b) *All steel and iron manufacturing processes must take place in the United States, except metallurgical processes involving refinement of steel additives.*
- (c) *The steel and iron requirements apply to all construction materials made primarily of steel or iron and used in infrastructure projects such as transit or maintenance facilities, rail lines, and bridges. These items include, but are not limited to, structural steel or iron, steel or iron beams and columns, running rail and contact rail. These requirements do not apply to steel or iron used as components or subcomponents of other manufactured products or rolling stock, or to bimetallic power rail incorporating steel or iron components.*
- (d) *For a manufactured product to be considered produced in the United States:*
- (1) *All of the manufacturing processes for the product must take place in the United States; and*
- (2) *All of the components of the product must be of U.S. origin. A component is considered of U.S. origin if it is manufactured in the United States, regardless of the origin of its subcomponents.*

Price/Cost Analysis (FTA C 4220.1F Chap VI, 6)

Grantees must perform a cost or price analysis in connection with every procurement action, including contract modification. This is to ensure that the price offered is fair and reasonable.

Cost analysis is used when:

- Adequate competition is lacking and for sole source procurement, including contract modification or change orders.
- The offeror is required to submit the elements (e.g., labor hours, overhead, materials, etc.) of the estimated cost.

Price analysis may be used in all other instances to determine price offered is fair and reasonable (historical cost, price list).

Sole Source – If goods or services are available from only one responsible source and no other goods or services will satisfy the requirements, the grantee may make a sole-source award. To justify a sole source, one of the following conditions must be present:

- Unique or innovative concept
- Patents or restrictive data rights
- Substantial duplication costs
- Unacceptable delay
- Only one bid was received

For additional information and guidance contact your community liaison.

Award to Responsible Contractor (FTA C 4220.1F, Chap VI, 8.(b))

Grantees shall make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

Grantees must verify all awarded third-party contractors are not debarred or suspended from participating in federally funded contracts. Grantees must review the System for Award Management at www.sam.gov and retain a screenshot of your search in your procurement files documenting you verified the contractor's eligibility.

Formal Bid Process

This information applies to all grantees that wish to perform their own formal bid process for purchasing vehicles or equipment.

Bid Documents

The bid documents must include the following information:

- Purpose of the bid.
- Purchaser contact information.
- Method used to conduct the vehicles and equipment procurement (i.e., ITB or RFP).
- Bid information, instructions and timeline for communication, bid submittal, bid opening and award.
- Minimum and maximum number of vehicles and equipment to be purchased.
- Term (length) of the contract to be awarded.
- All applicable FTA terms and conditions.
- General and technical specifications of the vehicles and equipment, which allow open competition.
- Protests and appeals procedures.
- Basis upon which your organization will evaluate bid proposals and award bids.

Bid Process

Grantees may proceed with the bid process and the following related activities after written approval from WSDOT is received:

- **Advertise the Bid** – Grantees must advertise and publicize bid solicitation in major local newspaper(s) or commercial and trade journals and other known sources. The bid solicitation should allow sufficient time for vendors to prepare bids before the date of bid opening. Grantees should allow a minimum of two weeks to increase opportunity for open competition.
- **Mail the Bid Document to All Known Vendors** – Grantees should send the bid solicitation to all known vendors to ensure participation.
- **Conduct the Review and Approval/Rejection of Request for Equals** – Vendors may request changes or substitutions to the specifications. Grantees shall review and evaluate vendor requests based on performance, intended use and costs of the proposed equals. The grantee must then approve/reject vendor requests and send all responses to all

vendors who have received the bid solicitation within the timeframe set forth in the IFB. Grantees may seek the WSDOT vehicle and equipment procurement staff for assistance in the review of vendor requests.

- **Conduct the Review and Approval/Rejection of Request for Reconsiderations** – Vendors may request reconsideration of the request for equals that the grantee rejected. Vendors may also submit backup documentation about the proposed item requested for substitution. Grantee shall review and evaluate vendor requests for reconsideration based on performance, intended use and cost of the proposed equal.

Note: Grantees may not specify a brand name product without allowing potential bidders to offer an equal product.

- Conduct a Protest or Appeal
 - **Appeal Procedures** – A vendor who is aggrieved in connection with the bid process may submit an appeal to WSDOT. Vendor must submit a detailed description of the facts and disagreement that form the basis of the appeal, including any supporting documentation related or referred to in the appeal and the specific decision requests. Grantee must review the appeal and respond to the vendor within the timeframe set forth in the appeal procedures. Vendor and grantee must follow the appeal procedures set forth in the bid documentation.
 - **Protest Procedures** – The vendor may further file a protest of the decision that resulted in the appeal process to grantee’s administrator for consideration. The protest must include a detailed description of the facts and disagreement that forms the basis of the vendor’s protest. Vendor may provide supporting documentation related or referred to in the protest and the specific decision requests. Grantee must review the protest and respond to the vendor within the timeframe set forth in the protest procedures. The vendor must follow all procedures set forth in the protest procedures of the bid document.
 - **Bid Submittal Deadline** – Vendor must submit the bid on or before the bid due date prescribed in the bid solicitation. Any vendor bid submitted after the prescribed date and time will be neither accepted nor opened.
- **Conduct the Bid Opening** – Bids must be publicly opened at the time and place prescribed in the bid document. Bids can be read and recorded in a bid abstract document and made available to bid-opening attendees for review and inspection.
- **Conduct the Pre-Award Review of Your Lowest-Priced, Most Responsive and Responsible Bidder** – This step may include a visit to the factory where the vehicles and equipment are assembled. Review the “Pre-Award Factory Visit” section for more details. For detailed information, refer to the “Pre-Award Review” section on the following page.

Note: FTA-funded procurements cannot require excessive qualifications, unnecessary experience or improper pre-qualifications.

Pre-Award Review

Before awarding any bid for vehicles, grantees must conduct a pre-award review of the lowest-priced, most responsive and responsible bidder. The purpose of conducting the review is to verify that the manufacturer is able to construct the vehicle according to the specifications and to ensure the manufacturer is able to comply with:

- Altoona bus testing
 - Buy America requirements
 - FMVSS
 - Debarment and suspension certification (if not included as part of the IFB or RFP)
 - TVM certification
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Note: The dealer may not substitute for the manufacturer. Record when and how the review requirements were met as well as the data received from the manufacturer. Read the Pre-Award Audit Checklist in [Appendix E](#) for details of certification requirements.

Bus Testing

The vehicle manufacturer must certify that its bid complies with FTA bus testing regulations by submitting an Altoona testing report for each vehicle model bid as part of its bid submittal. Grantees are required to maintain a copy of the Altoona testing report in the appropriate vehicle procurement file.

When procuring buses or other rolling stock with FTA funds, grantees should ensure the procured items comply with new MAP-21 testing requirements. MAP-21 provides for an FTA-funded facility at which all new vehicles purchased with FTA assistance must be tested to meet standards for safety, structural integrity, reliability, performance (including braking), maintainability, emissions, noise and fuel economy (49 USC Sections 5318 / MAP-21 Section 20014).

FTA will work with the industry to develop a pass/fail standard for U.S. testing. This standard must include safety provisions established by FTA pursuant to Section 5329(b)(safety). Vehicles that do not receive a “pass” rating would not be eligible for purchase with federal funds. Test results cannot be interpreted as a warranty or guarantee that the tested bus will meet the purchaser’s specific requirements.

Until FTA issues a rule implementing the standard, the current Altoona bus testing process applies.

Note: Non-modified passenger vans, minivans and raised-roof vans are not subject to Altoona bus testing. For the purposes of the FTA program, ADA low-floor modified minivans and van-chassis or truck-chassis cutaways (commonly referred to as minibuses) are subject to Altoona testing.

Buy America

Under the Buy America federal requirement for rolling stock (vehicles), at least 60 percent of the vehicle’s costs must be from American-made products and its final assembly must take place in the United States. Prior to award, the manufacturer must certify its ability to comply with this requirement. The supporting documentation received from the manufacturer must detail, by component, how the 60 percent Buy America requirement will be met and detail what final assembly entails. Grantees are required to verify the manufacturer’s documentation to support the manufacturer’s Buy America certification. Upon delivery, complete the post-delivery Buy America certification described in the Post-Delivery Audit section.

Non-rolling stock procurements over \$100,000 must meet 100 percent Buy America criteria for iron, steel and manufactured goods.

Note: Braun and Eldorado ADA low-floor minivans built on a Chrysler/Dodge Caravan now satisfy Buy America requirements for final manufacture.

Federal Motor Vehicle Safety Standards

To verify compliance with FMVSS, review the manufacturer's documentation to ensure that all vehicles purchased with grant funds have passed all tests required by the National Highway Transportation Safety Administration under 49 Code of Federal Regulations (CFR) 663. The tests may also include other FMVSS tests required by the vehicle specifications. Retain a copy of the vehicle testing report for each vehicle type and keep it in the related vehicle procurement file.

Factory Visit and Inspections

Should your organization determine that a factory visit trip is warranted and seeks to have the costs associated with the trip reimbursed by WSDOT, you must submit a request and receive approval from WSDOT prior to taking the trip. It is recommended that trip requests be submitted at least 30 days in advance of the scheduled trip. WSDOT will not reimburse organizations for expenses associated with the factory inspection or visit after the trip has been completed if prior trip approval was not obtained from WSDOT.

For pre-approved factory site visits, grantees may hire a qualified independent contractor who specializes in public transportation vehicle manufacturing inspections to conduct the factory site visits on their behalf. Contractor receipts and inspection report for the factory site visit must be included with the reimbursement request to be eligible for payment.

Note: If conducting a factory visit, use the appropriate factory visit checklist (Pre-Award Factory Visit Checklist or Mid-Construction Factory Visit Inspection Checklist) in [Appendix E](#) and vehicle specifications identified in the RFP and/or contract.

Note: Procurements of more than 10 vehicles (serving urbanized areas) or more than 20 vehicles (serving non-urbanized areas) require factory visits at different stages of vehicle production. These inspections may include up to four trips to the factory during the various construction stages of the vehicles.

Compliance with the Specifications

The final element in the pre-award review is to verify:

- The bid was made by the lowest-priced, most responsive and responsible manufacturer in the ITB process, or the bid represents the best value using the pre-defined scoring criteria identified in the RFP. Scoring criteria may include factors such as fleet uniformity, maintenance costs and parts availability along with traditional factors such as price.
- The manufacturer has the capability to construct the vehicle.
- Continuity of the manufacturer's warranties can be ensured.

Post-Delivery Audit

Once vehicles are delivered, grantees are required (for each grant-funded vehicle) to complete and sign the respective forms associated with the post-delivery vehicle audit process. The following provides a summary of the process.

- First, use the Vehicle Visual Inspection Form ([Appendix E](#)) to conduct a visual inspection of each vehicle received. Note any apparent defects as well as whether a specific inspected item is acceptable. Ensure that the manufacturer has provided the following:
 - **Post-Delivery Buy America Certification** – A post-delivery American Content report was received upon delivery of the vehicle. The report must be dated prior to the vehicle invoice date. Sign the post-delivery Buy America compliance certification or the post-delivery Buy America exemption certification, whichever applies.
 - **FMVSS** – The FMVSS report (for each vehicle delivered) was received and the manufacturer has affixed the metal placard on the driver door frame of each vehicle. Sign the post-delivery FMVSS Compliance Certification or the post-delivery FMVSS exemption certification, whichever applies.
- Second, perform a road test for each vehicle received to verify that the vehicle is in good working order and has no mechanical defects. Document and report the results on the road test form ([Appendix E](#)).
- Third, list and provide the necessary requested information for all vehicles that have satisfactorily met all the contract specifications on the post-delivery purchaser's requirements certification ([Appendix E](#)). Use the appropriate form based upon the number of vehicles procured (e.g., more than 20 or fewer than 20).

Note: [Appendix E](#) identifies the specific forms to be used for completing the vehicle inspection and certification process. Inspection and certification forms must accompany the grantee's request for reimbursement. WSDOT will not process payment until the required forms for all accepted vehicles are received.

Timeline for Accepting Delivered Vehicles

Delivery and acceptance timelines are outlined in the specific ITB or RFP used to purchase the vehicles. Once the vehicles are delivered, grantees have 15 calendar days to complete inspections and either accept or reject the vehicles. If the vehicles are acceptable, issue an acceptance letter to the contracted vendor. If the vehicles do not meet the specifications or defective parts and/or deficiencies are found, a non-acceptance letter to the contracted vendor must be issued within the 15 calendar-day period. The non-acceptance letter should include detailed information about the defective part(s) and/or deficiencies and a request that the contractor take appropriate actions to correct the problem(s). A vehicle may not be placed in service until it is fully accepted. A copy of the non-acceptance letter must also be sent to WSDOT.

Note: Failure to notify the contractor within the 15-day period or the timeframe set forth in the bid document may constitute acceptance of the vehicle as delivered, depending on the ITB or RFP.

Grantees shall pay the vendor according to the procurement contract for all accepted vehicles. Partial vehicle acceptance should not delay payment for accepted vehicles.

Grantees shall submit request for reimbursement to WSDOT for all accepted vehicles within 30 days of the acceptance date.

Vehicle Procurement Records and Retention

Grantees must file and maintain all pertinent procurement records in the procurement file for all grant-funded procurements. Grantee shall maintain the complete procurement file for six years beyond the useful life of the vehicle(s) regardless of the process used to purchase the vehicles. The minimum useful life of a vehicle is shown in [Appendix E](#). Read the Procurement File Contents checklist in [Appendix E](#) for details on those documents which must be retained.

Title of Vehicles

When obtaining the vehicle titles with state or federal funds administered by WSDOT, your organization must be shown as the registered owner and WSDOT must be shown as the legal owner. The following information must appear on the title:

Legal Owner
Washington State Department of Transportation
Public Transportation Division
PO Box 47387
Olympia, WA 98504-7387

Note: All applicable licensing and title fees are the responsibility of the grantee. Those costs are not eligible for reimbursement under the capital grant.

Title Retention

The length of time WSDOT retains title to vehicles purchased for the project will depend on the size and type of vehicle purchased. The vehicle disposition schedule ([Appendix E](#)) identifies the retention schedule for vehicles, also known as the *minimum useful life* of the vehicle.

WSDOT will release legal ownership of all vehicles based on the vehicle acceptance date and identified minimum useful life (based on its age or mileage, whichever comes first).

Note: After WSDOT releases the vehicle title, grantees must complete the transfer of legal ownership of the vehicle with the Washington State Department of Licensing (DOL) within 15 calendar days. Failure to do so may result in penalties imposed on the grantee by DOL.

Note: Small buses, cutaways and modified vans that do not exceed 28 feet in length used for special needs transportation may qualify for rideshare license plates, which are exempt from sales tax per [RCW 46.74.010](#).

Vehicles Purchased for Replacement

Organizations using grant funds to replace a vehicle in its fleet are expected to retire the vehicle identified in the grant application within three months of accepting the replacement vehicle.

Retiring a vehicle means it is sold, surplus, donated or placed in spare status (service not exceeding 30 percent of prior use). Assigning the vehicle to another service area or contractor or leasing the vehicle is generally not acceptable. Contact your community liaison for additional assistance with this determination.

Note: Failure to retire the replaced vehicle in a timely manner is considered a breach of the grant agreement and may result in disqualification for future grants and/or repossession of the new vehicles.

Equipment Procurement

This section describes the necessary steps and requirements associated with purchasing equipment other than vehicles. All equipment purchased with grant funds from WSDOT must be used to support the passenger transportation services described in the grant agreement.

Purchasing Procedures

While WSDOT does not prescribe specific procedures for the purchase of equipment, it does require that grantees have established written procedures in place describing the equipment purchase process. For more detailed guidance on developing purchasing procedures, read the “Purchasing Policies” section in [Chapter 1](#). At a minimum, the procedures must include:

- A dollar threshold for phone quotes versus bids.
- The designation of officials who have signature authority for various types of purchases.
- The point at which board approval is required.
- Policies for purchasing from DBE vendors if FTA funds are used (for more information, read the DBE requirements in [Chapter 1](#)).

Grantees awarded FTA grant funds for equipment must have procedures that comply with FTA Circular 4220.1F. An Internet link to that circular can be found in [Appendix G](#).

Managing Vehicles and Equipment

Grantees are expected to ensure that vehicles and equipment are properly maintained and used for the services described in the grant agreement. The information below provides guidance on how to properly manage grant-funded equipment and vehicles.

Allowable Uses

All vehicles and equipment purchased with grant funds must be used throughout their minimum useful life to support the passenger transportation services described in the grant agreement and be consistent with grant funding requirements. The service parameters include but are not limited to:

- Service area.
- Service mode (demand response, fixed route, vanpool, etc.).
- Population to be served (general public, special needs, etc.).
- Type of service (job access, complementary paratransit, etc.).

Minimum Service Thresholds for Vehicles

Vehicles (excluding vanpool vehicles) funded through WSDOT’s grant programs must be used to provide a minimum level of service in the community. Those minimums are:

- 100 passenger trips per week.
- 100 service miles per week.

Failure to meet the minimum service thresholds may result in WSDOT removing the vehicles and may jeopardize your organization's ability to remain in compliance with WSDOT's In Good Standing policy.

Note: Depending on federal funding sources, grantees may use the vehicles for other passenger transportation services if the use is incidental and does not diminish the services identified in the grant agreement. Contact your assigned Community Liaison to determine eligibility.

Maintenance of Vehicles and Equipment

Grantees are required to maintain all vehicles and equipment purchased with grant funds according to the manufacturer's recommendations and transit asset management plan (TAMP), or other transportation organizations' vehicle maintenance plan (VMP). The maintenance plan typically consists of a graduated preventive maintenance program. Refer to the owner's manuals received from the vehicle and equipment manufacturers and any installed components (such as wheelchair lift, bicycle rack, air conditioning unit) in order to establish a preventive maintenance program. Samples of maintenance plans and preventive maintenance inspection forms are available from WSDOT upon request.

Asset Management Plan

Moving Ahead for Progress in the 21st Century (MAP-21) and [RCW 81.112.086](#) require transit agencies and grantees receiving FTA and state funds for public transportation capital projects to develop and implement a TAMP or VMP. Transit agencies and grantees must submit TAMP/VMP recertification and/or an update of their plan to WSDOT on or before Feb. 15, 2017. TAMP/VMP recertification is due every other year on an odd-year basis.

MAP-21 and state AMP requirements consist of several important elements:

- Capital-asset inventory.
- Condition assessments and reporting.
- Maintenance plans for vehicles, equipment and facilities.
- Capital-investment prioritization for bringing public transit systems into a state of good repair.

Newly formed transit agencies can find guidance on developing an AMP at www.wsdot.wa.gov/transit/library. For more information about AMPs and VMPs, contact a WSDOT vehicle and equipment procurement staff member.

Required Elements for an AMP

Transit agencies and grantees must develop an AMP including:

- Inventory report system
- Lowest life-cycle cost (LLCC) methodologies
- Preventive maintenance program
- Maintenance recordkeeping system
- State of good repair
- Performance-based planning progress

Annual Transit Asset Inventory

Transit agency AMPs must include an inventory of all transit assets. Asset inventories are due every Jan. 31. For more information about annual asset inventories, contact a WSDOT asset management staff member.

Note: As a condition of receiving FTA and state funds, grantees must have an AMP certified by WSDOT. WSDOT considers the preventive maintenance requirements described in the transit AMP to be best practices for all grant recipients.

Vehicle Maintenance Plan (all other Grant-Funded Vehicles)

Non-transit agency grantees are required to submit a written VMP that covers all vehicles purchased with state or federal grant funds to WSDOT for approval by Oct. 1, 2015, for current WSDOT-funded grantees. For new WSDOT funded grantees, a VMP is due prior to the receipt of its first grant-funded vehicle.

Required Elements for a VMP

Non-transit agency grantees must develop a VMP including:

- Inventory report system
- LLCC methodologies
- Preventive maintenance program
- Maintenance recordkeeping system

Annual Asset (Vehicle) Inventory

Agency AMPs must include an inventory of all transportation vehicles. Asset inventories are due every Jan. 31. For more information about annual asset inventory, contact a WSDOT vehicle and equipment procurement staff member.

AMP and VMP Technical Support

WSDOT's guidance for FTA and Consolidated Grant program grantees is available at www.wsdot.wa.gov/transit/library. Select "Guide to Preparing Your Transit Asset Management Plan" or "Guide to Preparing your Vehicle Maintenance Plan," whichever is applicable.

Note: As a condition of receiving FTA and state funds, grantee must have a VMP certified by WSDOT. WSDOT considers the preventive maintenance requirements described in the VMP to be best practices for all grant recipients. Further guidance on the VMP is published in a separate document. For additional information, contact a WSDOT asset management staff member.

Insurance Requirements

Vehicles purchased with grant funds must be insured to be in compliance with state law. Grantees must provide a certificate of insurance documenting liability, comprehensive and collision insurance for all grant-funded vehicles of which WSDOT retains legal ownership, with WSDOT listed as the loss payee. Self-insured organizations must provide WSDOT with a declaration of self-insurance including a description of how the self-insurance pool is funded. For specific insurance requirements, refer to the "Loss or Damage of Project Equipment" section of the capital grant agreement.

Damages and Repairs

Grantees are responsible for reporting and repairing any damage to grant-funded vehicles of which WSDOT retains legal ownership. WSDOT must be notified in writing within five business days if the vehicle sustains disabling damage (e.g., vehicle is removed from service for ten or more operating days or is totaled) or the circumstances of the incident trigger an FTA drug-and-alcohol test. The following information must be submitted to WSDOT:

- The nature of the incident.
- The level of damage to the vehicle.
- The grantee's intentions regarding replacement of the vehicle if the damage resulted in a total loss of the vehicle.
- The incident report on file with local law officials.
- The investigation summary conducted by your organization.
- A copy of witness statement/comments.
- If FTA 5309 or 5311 funds were used for the purchase, an explanation of whether your organization's decision to conduct post-accident drug-and-alcohol tests were conducted or, if not, why they were not conducted.

WSDOT does not need to be notified if the damage does not require removal from service. However, any damage should be repaired as quickly as possible.

Note: Any costs of the repair which are not covered by insurance are the responsibility of the transit agency.

Vehicle Total Loss

If the vehicle is deemed a total loss by the insurance carrier, the insurance proceeds shall be paid directly to WSDOT. Grantees that do not intend to replace a vehicle deemed a total loss will be forwarded the proportionate local share of the insurance proceeds received by WSDOT, provided that the grantee is in compliance with the grant agreement.

Grantees that intend to replace a vehicle deemed a total loss must replace it with a new or similar vehicle (value at the time of the incident, capacity, wheelchair accessibility, etc.). Once the replacement vehicle is received, a copy of the vendor invoice and the registration showing WSDOT as legal owner must be submitted to WSDOT. WSDOT shall reimburse the grantee up to the insurance proceeds paid. Any replacement costs in excess of the insurance proceeds must be assumed by the grantee.

If the grantee orders a replacement vehicle within 60 days of the incident and before the insurance proceeds have been processed, WSDOT may waive the requirement for the proceeds to be received directly by WSDOT, and may in writing allow the insurance to be paid directly to the grantee to expedite the replacement.

Note: WSDOT will release legal ownership of the replacement vehicle based on the acceptance date and the minimum useful life of the original vehicle.

Change of Use

Written notification to and the approval of your community liaison is required if any grant-funded vehicle or equipment is no longer needed for the services described in the grant agreement. In either case, here is an overview of the options that may be available:

- Grantees providing other passenger-transportation services in the same service area may request to use the vehicles or equipment for those services.
- Grantees that are Medicaid brokers (and thus cannot provide Medicaid service) may request to assign existing vehicles or equipment to another eligible service provider. Under this option, grantees must:
 - Submit the proposed agreement to WSDOT for approval.
 - Execute the approved agreement with the service provider.
 - Send a signed copy of the agreement to WSDOT.

Note: The transfer of registered ownership under this option does not release the grantee from any responsibilities under the grant agreement. The grantee will still be responsible for ensuring the assignee complies with the terms and conditions associated with the grant.

- Grantees not providing any other passenger-transportation services or reducing the scope of service may return the vehicles or equipment to WSDOT. Upon written notification, WSDOT will:
 - Initiate a fair-market valuation by an independent appraiser.
 - Identify other service providers who are willing and able to accept the vehicle(s) or equipment. If possible, WSDOT will transfer the vehicle or equipment to a provider within the same service area.
 - Initiate the transfer, once another service provider is identified and the fair-market valuation is completed. If local funds contributed to the purchase of the vehicle or equipment, grantees may be reimbursed for the proportionate local share as long as they are in compliance with the grant agreement. Once the transfer is complete, grantees will be released from the terms and conditions of the grant agreement.

Transferring Vehicles or Equipment to a Different Service Area

The process for securing grant funds is very competitive. A major component in selecting projects to be funded is the need for service within the community or communities to be served. For that reason, WSDOT works to keep grant-funded vehicles and equipment in the original service areas described in the grant agreement. If you no longer need the vehicle and/or equipment for the service described in the grant agreement, you must notify your assigned community liaison in writing immediately.

WSDOT will facilitate a fair-market valuation and transfer the vehicles and/or equipment. Grantees may be eligible for reimbursement for the proportionate local share of the vehicle's or equipment's value by the receiving agency.

Note: If WSDOT still retains the title to a grant-funded vehicle it cannot be transferred to a service area not identified in the grant agreement unless WSDOT authorizes the transfer in advance and in writing.

Buyout of the Grant Share of a Vehicle and Other Equipment

Grantees may purchase the state and/or federal share of grant-funded vehicles or equipment at any point during the grant agreement. If you elect to buy out the interest in the vehicles or equipment less than 12 months from the time of the receipt of grant funds, the amount to be returned to the state will be 100 percent of the grant. If the request to buy out the vehicle or equipment is received more than 12 months after the payment of the grant funds, WSDOT will initiate a fair-market valuation of the vehicles or equipment. Grantees will be required to pay the proportionate grant share of the current market value to WSDOT. After payment is received for a vehicle, WSDOT will send the grantee the original certificates of title for the vehicles and release them from any responsibilities under the grant agreement.

Sale of Federally Funded Capital Assets (Vehicles and Equipment)

Typically, FTA and WSDOT retain no interest in the vehicle or equipment after it exceeds its minimum useful life and the title or interest in the capital asset has been released. However, if the grantee sells a federally funded capital asset and receives proceeds in excess of \$5,000, the grantee may be subject to a partial return of funds to FTA per FTA Circular 5010.1D (page IV-25, (4)). The grantee may petition FTA to allow the retention of all proceeds from the sale of the capital asset provided the grantee reinvests the proceeds in a similar vehicle and/or equipment. This would equate to a “like-kind” exchange that retains the original intent and scope of the project.

Note: If any federally funded vehicle or equipment is sold for a fair market value in excess of \$5,000, the grantee must return the prorated federal portion to FTA regardless of who holds the title or interest, unless directed otherwise.

Requesting Capital Grant Reimbursements

WSDOT will reimburse the state and/or federal percentage shares identified in the scope of work of the agreement or the total funds awarded for the purchase, whichever is less. The remaining portion of the cost must be paid with local funds. The local share must be in cash and not derived from any sources that would place restrictions on the use of the equipment or place a lien on the equipment. Eligible expenses include, but are not limited to:

- Factory visits (if required and/or pre-approved by WSDOT). These expenses must fall within state/federal per diem rates. A written request must be submitted to WSDOT for review and approval prior to taking the trip. WSDOT will not reimburse trip expenses without prior written approval. Contact the WSDOT vehicle and equipment procurement program manager prior to taking the trip and for more detailed information and requirements.
- Cost of equipment identified in your grant agreement, including any associated sales or use taxes paid.
- Purchase and installation of other vehicle equipment identified in the grant agreement or otherwise pre-approved by WSDOT (e.g., signage, bike racks, radios, cameras, fare boxes).
- Purchase and installation of striping and/or logos on the exterior of any vehicles purchased under the grant agreement.
- Purchase and installation of non-vehicle equipment specifically identified in the grant agreement.

- Required inspection costs, if performed by a third party contractor.

Note: Ineligible expenses under WSDOT's Capital Grant program include administrative costs incurred to conduct the capital procurement and purchase, costs of maintenance staff for accepting the vehicle and/or preparing it for service, and title and licensing fees. These expenses may be eligible for reimbursement through an operating grant.

To receive reimbursement, submit a completed reimbursement request signed by your agency's financial manager or another authorized representative to the WSDOT Public Transportation Division, along with copies of the vendor invoices and all other required attachments. See [Appendix A](#) for samples of reimbursement forms and detailed instructions.

Attention: WSDOT Requirements for Fiscal-Year Closeout

WSDOT operates on a biennial fiscal cycle, but also performs an annual fiscal closeout. To ensure timely payment, you must submit any reimbursement request or an estimate of charges by July 15, 2016, for any unreimbursed eligible expenses incurred between July 1, 2015, and June 30, 2016. The final reimbursement request for state-funded projects must be received by WSDOT within 30 days of the completion of the project or by July 15, 2017, whichever comes first. Reimbursement requests, for state funded projects, received after July 15, 2017, may not be eligible for payment.

Consolidated Grants Program

A completed reimbursement request for the Consolidated Grant program must include the following information or attachments:

- Invoices from vendors supplying vehicle or related equipment and services.
- Completed visual-inspection and road-test forms for vehicle purchases.
- Completed post-delivery purchaser's requirements certification.
- Completed post-delivery Buy America compliance certification.
- Completed post-delivery FMVSS compliance certification.
- Copy of the insurance certificate covering the vehicle.
- Copy of the factory trip expense worksheet, trip itinerary with travel receipts, WSDOT out-of-state pre-approval letter, and report from the visit to manufacturer's site to verify the vehicle was constructed according to bid specifications if the visit was required.
- Copy of the vehicle registration certificate, issued by DOL, showing WSDOT as the legal owner.
- Copy of the grantee's vehicle acceptance letter to the vendor.

Third-Party Contracts – Clauses to Include

Procurement Pro, a national RTAP product, is a valuable resource for finding third-party contract clauses: <http://www.nationalrtap.org/Web-Apps/ProcurementPRO>

Chapter 4 Guidelines for Capital Construction Projects

This chapter contains guidance associated with capital construction projects.

Note: These guidelines are provided as an overview. More detailed requirements must be obtained from federal, state, or local agencies. This is not intended as an exclusive list.

Capital Construction Project Requirements

There are numerous requirements and detailed processes that must be followed when developing and building capital construction projects with grant funds, particularly when using Federal Transit Administration (FTA) funds.

Prior to receipt of FTA funds for construction projects, your organization will be responsible for and must complete the requirements and conditions summarized in [Chapter 1](#) as well as the following items:

- A submittal of the construction project to the Statewide Transportation Improvement Plan (STIP).
- An environmental impact analysis under the National Environmental Policy Act (NEPA).
- A Disadvantaged Business Enterprise (DBE) plan for a construction project-specific goal if it is not included in your organization's goal.

Note: Any construction project funded in whole or in part with grant funds distributed by the Washington State Department of Transportation (WSDOT) must be in compliance with the **Americans with Disabilities Act (ADA)**, including the standards and guidelines in the ADA Accessibility Guidelines for Buildings and Facilities (ADAAG). More information about the ADAAG is available at www.access-board.gov or by contacting your WSDOT community liaison.

WSDOT's Role in Capital Construction Projects

WSDOT is responsible for ensuring that grantees follow FTA and state requirements associated with the receipt of grant funds for capital construction projects. Limited technical assistance is provided.

Note: For state funded capital construction projects, WSDOT must provide written approval before the construction phase begins. Grantees must submit a request for approval at least two weeks before construction begins.

Grantee's Role in Capital Construction Projects

Grantees are responsible for carrying out the project described in the grant agreement and complying with federal and state requirements. The grant-funded project is defined by its scope, schedule and budget. Changes to the scope, schedule and budget require WSDOT approval as outlined in [Chapter 1](#).

The grant-funded project scope is detailed in the grant application and grant agreement. In some cases, only part of the project's overall scope is eligible for grant reimbursement.

WSDOT requires grantees to reach project-schedule milestones, which are used to track progress. With mutual agreement, these milestones can be adapted to suit the particular complexities of the project. In some cases, grantees have achieved some project milestones before they receive grant funds. Some of these activities may also occur simultaneously. Here is a list of project schedule milestones:

- Design (30, 60, 90 and 100 percent).
- Environmental documentation development, including Washington State Executive Order 05-05 compliance.
- Permit acquisition.
- Land acquisition and right of way certification.
- Utilities.
- Contract advertisement, bid acceptance and award.
- Construction (25, 50 and 75 percent).
- Operationally complete (i.e., commissioned).
- Site inspection by WSDOT.
- Asset management plan or facility maintenance plan.
- Project closeout.

The agreement budget is based on the grantee's estimates and available grant funding resources.

All reimbursements for grant-funded activities must occur within the grant agreement project period. FTA-funded projects may have pre-award authority. Contact WSDOT to determine if pre-award authority applies to your project.

Note: Pre-award authority: Grantees must meet NEPA requirements as supported by an FTA-approved and documented record of decision, along with FTA's announcement of award, and the inclusion of the project in the STIP before any costs can be reimbursed for land acquisition, building materials and construction. By contrast, pre-award authority for architectural and engineering (A&E) and project-management costs are eligible project expenses along with FTA's announcement of award and the project's inclusion in the STIP.

Capital construction project costs outlined in the grant agreement and associated with preliminary engineering, project level environmental assessment and documentation, final design, real estate purchases, and construction are eligible for grant reimbursement. Scope, schedule and budget development; corridor planning; alternatives analysis; major investment studies; and corridor-analysis costs do not qualify as eligible capital construction project expenses.

For FTA-funded projects, eligible costs must also comply with Federal Cost Principles as outlined in the Office of Management and Budget (OMB) requirements codified under 2 CFR Part 200, or Federal Acquisition Regulation (FAR) Part 31.

For FTA-funded projects, the grantee is also responsible for the following:

- Written standards of conduct
- Self-certification
- Third-party-contracting capacity
- Audits
- Fraud

Chapter 3 of FTA Circular 4220.1F provides details for each of these requirements, available at www.fta.dot.gov/documents/c_4220_1f.pdf. At a minimum, grantees must also comply with the following six federal requirements in all procurements, including A&E and construction services:

- Comply with the Brooks Act for procurement of architectural and engineering services.
- A requirement for full and open competition.
- A prohibition against geographic preference, except A&E services.* (*see note below*)
- Inclusion in contracts of all federal clauses required by Federal statute governing procurement for such services.
- Award to responsible contractors.
- For rolling stock, a five-year limitation on the contract performance period.

Note: FTA is considering a one-year pilot program that bases hiring preferences on geography. It was previously disallowed due to concerns about adverse impacts on competition. This will only affect construction contracts awarded or advertised in FY 2015. Based on the findings of this program, USDOT may provide further guidance regarding such restrictions.

Governmental Sub-recipients of the State: Each governmental sub-recipient may use state procurement procedures for its third-party contracts. Only the FTA Circular 4220.1F provisions identified above and USDOT regulations, “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments”, 49 CFR Part 18, applicable to the state will apply to procurements by the state’s governmental sub-recipients.

Private Nonprofit Sub-recipients of the State: Only the FTA Circular 4220.1F provisions identified above and USDOT regulations, “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Educations, Hospitals, and other Non-Profit Organizations,” 49 CFR Part 19, will apply to a nonprofit sub-recipient of the state.

Contract Methods and Delivery Strategies for Construction Projects

The contract method chosen for a capital construction project should best suit the organization’s resources and the level of involvement desired. Elements of a capital construction project include:

- Developing design plans.

- Obtaining required permits.
- Property acquisition.
- Relocation of existing utility infrastructure.

Many of these activities may occur simultaneously or may require the completion of one element before the next can begin. Coordination and communication both internally and with designers, right of way land acquisition professionals, permitting agencies, and utility companies are essential for success.

There are many project delivery strategies for construction projects, such as completing the project with your own resources and staff, turnkey, design/bid/build, and design/build. The differences in these strategies are the amount of control and risk the grantee is willing to accept. The remainder of this chapter focuses only on the design/bid/build and design/build strategies.

Design

Project design must meet the requirements in the Washington State *Standard Specifications for Road, Bridge, and Municipal Construction*. This publication is available at www.wsdot.wa.gov/publications/manuals/m41-10.htm. Project teams wishing to use other design standards must submit a request to the WSDOT Public Transportation Division and obtain documented approval before design work commences. If design work is already underway before WSDOT awards grant funds, project teams must request documented approval for other design standards within two months after the grant agreement takes effect.

WSDOT recommends that a risk assessment be done prior to completion of the preliminary engineering phase.

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| <p>Note: All design plans must be stamped by the appropriate professional engineer.</p> |
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Permit Requirements

Local organizations are responsible for obtaining and ensuring compliance with all applicable local, state and federal permits. Federal compliance does not signify compliance with applicable local and state permits. The local organization must work with others as appropriate to provide the required analysis to complete its responsibilities under local, state and federal requirements for permits.

Projects involving federal funds, permits or land are governed by a number of environmental requirements, including but not limited to:

- National Environmental Protection Act (NEPA) of 1969, 42 U.S. Code 4321, et. seq.
- Council on Environmental Quality Regulations for Implementing NEPA
- 40 Code of Federal Regulations (CFR), Part 1500, et. seq.
- Federal Highway Administration and Federal Transit Administration
- Implementing Regulations, 23 CFR, Parts 771, 772, and 774
- Environmental Impact and Related Procedures, 49 CFR, Part 622
- Section 7 of the Endangered Species Act (ESA), 50 CFR, Part 402
- Section 106 of the National Historic Preservation Act, 36 CFR, Part 800

- Presidential Executive Order 12898 – Environmental Justice
- Section 4(f) of the U.S. Department of Transportation Act of 1966, all proposed projects
- Environmental compliance, including [Governor's Executive Order 05-05](#)

For FTA-funded projects, federal law requires that final design may not begin prior to NEPA completion as denoted by an FTA record of decision (ROD), finding of no significant impact (FONSI), or a categorical exclusion (CE) determination.

For the purposes of capital construction projects, [Governor's Executive Order 05-05](#) requires the review of all capital construction projects and land acquisitions not undergoing Section 106 review under the National Historic Preservation Act of 1966. The Governor's Executive Order 05-05 process is not required in capital construction projects if it includes federal funding and is completing the Federal Section 106 environmental review process. WSDOT will require documentation confirming successful completion of the process.

If your project is subject to [Governor's Executive Order 05-05](#), you will need to include time and money in your project schedule and budget for compliance. Previous project teams have spent at least three to six months on this process.

Land Acquisition

Acquisition of real estate for projects with federal funding must be carried out in accordance with provisions of Federal Law (Uniform Act, 42 USC 4601) and the regulations (23 CFR and 49 CFR).

In addition, the completion of the environmental process, receipt of a determination by FTA, and the development of the right of way plans are required before the project is ready to enter the acquisition phase.

Utilities and Third-Party Coordination

Utilities and third parties often need extensive lead time to reasonably schedule the work and obtain the materials necessary for relocation of its facilities.

Conducting Procurement for Construction Projects

As soon as WSDOT notifies your organization of a grant award, you may begin exploring procurement options.

The scope of the requirements may differ depending on the type of funding awarded.

FTA-Funded Procurement Requirements

Note: The procurement must meet FTA standards, regardless of the method chosen.

Grantees awarded FTA funds must have established procurement policies and processes in compliance with FTA Third Party Contracting Requirements identified in FTA Circular 4220.1 F and all applicable state laws. The methods of solicitation and selection allowed are as follows:

- Micro-purchases only for construction contract amounts less than \$3,000.
- Small purchase procedures only for construction contracts less than the simplified acquisition threshold (currently \$150,000).

- Sealed bids where:
 - There is complete, adequate and realistic specifications or purchase descriptions.
 - Two or more responsible bidders are willing and able to compete.
 - The procurement lends itself to a firm, fixed-price contract; and the selection can be made primarily on the basis of price.
 - No discussion with bidders is necessary after the receipt of offers.
- Competition proposals.
- Noncompetitive proposal (sole source) procurement only if you can justify not soliciting additional competition in the manner explicitly defined in FTA Circular 4220.1F §9.h.

For any FTA-assisted, third-party construction contract exceeding \$100,000, FTA's Buy America requirements will apply unless FTA waives the requirements. See Chapter 3 for specific information regarding Buy America requirements for iron, steel and manufactured products.

Note: MAP-21 includes veteran's preference for employment on transit-construction projects.

Types of Contracts Allowed

There are two main methods to contract for professional services:

1. **Procurement by Competitive Proposal/Request for Proposals (RFP)** – The competitive proposal method of procurement is normally conducted with more than one offerer (e.g., design consultant, design manager). This method of procurement is generally used when conditions are not appropriate for the use of sealed bids.
2. **Procurement of Architecture and Engineering (A&E)** – When contracting for A&E services, use competitive proposal procedures based on the Brooks Act as defined in 40 U.S. Code Section 541. Professional services include program management, construction management, feasibility studies, preliminary engineering, design, surveying, mapping and services which require performance by a registered or licensed architect or engineer. This qualifications-based procurement method can only be used for the procurement of A&E services. These requirements apply except to the extent any state adopts or has by statute adopted a formal procedure for the procurement of A&E services. The Brooks Act requires a qualifications-based procurement method for the selection of A&E firms. Price is excluded as an evaluation factor, and negotiations are conducted with the most qualified firm only.

When developing a contract for professional (A&E) services, grantees should review the 54 mandatory procurement standards listed in FTA Circular 4220.1F Appendix B.19 and determine the provisions that apply to the particular procurement. In addition, to receive federal funds, grantees must determine which of the 31 federal statutes and regulations presented in Appendix A.1 of the FTA Best Practices Procurement Manual (BPPM) apply to the project. Finally, make sure the required terms and conditions (clauses, etc.) are included in the advertisement.

The procurement process for professional services is a multi-step process for an FTA-funded project. Refer to Chapter 6.5 of the FTA BPPM.

Procurement Steps for Construction Contracts

For the procurement of contractors, the most common method of procurement is by sealed bid/invitation for bid. These services must be procured in a manner that conforms to applicable state and local law, the requirements of FTA Circular 4220.1F relative to the method of procurement used, and all other applicable federal requirements.

FTA-funded construction contracts require certain provisions. These provisions are discussed in Chapter 6 of the FTA BPPM.

FTA-funded projects must exclude geographical preference in the selection of construction contracts.

Grantees must ensure all contractors or sub-contractors are eligible to receive federal funds and are not debarred or suspended from participating in an FTA-funded project. Grantees are urged to check the Excluded Parties List System at <https://www.sam.gov/portal/public/SAM/> before awarding a third-party contract.

Maintaining Procurement Records

When state or federal grant funds are used for facilities procurement, all pertinent procurement records must be maintained in a procurement file. Regardless of the process used to construct the facility, the complete procurement file must be maintained for six years beyond the useful life of the facility, depending on the type of structure. Contact WSDOT's Capital Programs Manager for assistance on determining the useful life of a facility constructed with grant funds. Review the "Procurement File Contents" checklist in [Appendix E](#) for details on which documents must be retained.

Capital Construction Grant Reimbursement Requests

WSDOT will reimburse grantees for the state and/or federal percentage shares identified in the scope of work of the agreement or the total funds awarded for the project, whichever is less.

To receive reimbursement, submit a completed reimbursement request signed by your financial manager or another authorized representative to the WSDOT Public Transportation Division along with copies of the contractor invoices and all other required documents. See [Appendix A](#) for sample reimbursement request forms and detailed instructions. A completed reimbursement request must have the following information or documents:

- Construction project manager-approved invoices from contractors supplying material and/or labor for construction activities and services.
- Completed financial reports and progress reports as required.

Note: For FTA-funded projects, the common grant rules require that any progress payments for construction contracts be made on a percentage-of-completion method.

Local Matching Funds and Match Requirements

The match requirement for each project varies depending on the level of matching funds, if any, identified in the grant application. If the agreement has only one project, the specific

local match for the project is identified on the first page of the agreement. In the case of multiple projects, refer to the scope of work and budget in the agreement for the local matching ratio for each project.

Eligible Funds to be Used as Match

Federally funded capital construction projects generally require a 20 percent match. The local match must be cash, and may not be derived from sources that place any restrictions on the services provided with the equipment or place a lien on the equipment.

For federally funded facilities projects, compliance with ADA or the Clean Air Act remains at 90 percent of net project costs (10 percent match) of the equipment or facilities, attributable to compliance (incremental cost).

Disadvantaged Business Enterprise Requirements

Any construction contract funded either in whole or in part with USDOT funds is subject to the DBE regulations in 49 CFR Part 26.

It should be noted that a contract funded entirely with local or state funds and with no federal funds is not subject to the DBE requirements under this rule.

Refer to [Chapter 1](#) for additional information on DBE requirements.

Managing the Constructed Facility

Once the constructed facility is completed and accepted, grantees are expected to ensure it is used for the purposes described in the grant agreement and is properly maintained. The information below provides guidance on properly managing the grant-funded facility.

Maintaining a Facility

Grantees are required to maintain facilities purchased and/or renovated with grant funds based on the contractor's recommendations and industry best practices. This typically consists of developing and implementing a preventative maintenance program. In establishing the preventative maintenance program, grantees should refer to any owner's manuals provided by the contractor for components (e.g., fueling pumps; vehicle lifts; and heating, ventilation and air-conditioning units) installed at the facility.

Transit Systems Must Have an Asset Management Plan

This section only applies to transit systems. However, WSDOT considers the preventive maintenance practices described in the transit asset management plan (AMP) to be best practices for all grantees.

As a condition of receiving state funds, public transit systems must have an AMP certified by WSDOT.

Note: Further guidance on the AMP has been published in a separate document. Contact WSDOT for more information. Newly formed transit systems can find guidance for developing an AMP at www.wsdot.wa.gov/transit/assetmanagement/plan.htm.

Other Grantees Must Have a Facility Maintenance Plan

In order to meet this requirement, grantees must submit a written facility maintenance plan for WSDOT's approval. At a minimum, the plan must cover all elements of the facility purchased with federal or state grant funds. Current capital construction grantees must submit their plans to WSDOT by Oct. 1, 2015. New capital grantees must submit their plan prior to the occupancy of the constructed facility.

Insuring the Facility

Facilities and equipment purchased with state or federal grant funds must be insured in compliance with state law. WSDOT must be listed as the loss payee in the event of a total loss. Grantees that self-insure must provide WSDOT with a declaration of self-insurance including a description of how the self-insurance pool is funded. For insurance requirements, refer to the "Loss or Damage of Project Equipment" section of the grant agreement.

Facilities Involved in an Incident

Grantees are responsible for repairing any damage to grant-funded facilities. All damage should be repaired as quickly as possible. WSDOT must be notified in writing within five business days if the facility sustains disabling which results in one or all of the following:

- Total loss.
- Temporary (more than 10 business days) closure of the facility.
- Service operations being significantly hampered or reduced.

The written notification provided to WSDOT must include the following:

- The nature of the incident.
- The level of damage to the facility.
- Whether the damage resulted in a total loss of the facility and intentions regarding replacement of the facility.
- A copy of any accident or incident report on file with local law officials.
- A copy of any reports of investigations conducted or sponsored by your organization.

Grantees are not required to notify WSDOT if the facility sustains minor damage resulting in only cosmetic-related repairs.

If the damage to the facility results in a total loss, the insurance proceeds are required to be paid directly to WSDOT. Grantees that do not intend to replace the facility will receive a proportionate share of the insurance proceeds, per the terms of the grant agreement, provided that WSDOT finds the grantee is in compliance with the grant agreement.

Grantees that intend to replace the damaged facility must replace it with a similar structure/facility. Contact your WSDOT community liaison to initiate and arrange for the distribution of the insurance proceeds.