Ohio Department of Transportation
Federal Transit Administration
Section 5311
Rural Transit Program
Criteria and Application Instructions
Please note: changes to the Rural Transit Program Criteria are noted in italics

INTRODUCTION

The Rural Transit Program as authorized by 49 USC Section 5311 authorizes grants for public transportation in nonurbanized areas. Federal funds are allocated to the states on a population-based formula, and the Governor of each state is responsible for administering and distributing these funds. In addition, the Ohio General Assembly has authorized State funds for the support of public transportation. These State funds are available to public transportation systems through two programs, the Ohio Public Transportation Grant Program and the Ohio Elderly and Disabled Transit Fare Assistance Program.

The Governor has designated the Ohio Department of Transportation (ODOT) to administer the Federal and State funds as a part of the Rural Transit Program in Ohio. The ODOT Office of Transit Administrator manages the day-to-day program activities under the direction of the ODOT Deputy Director of Local Programs.

In administering the program, ODOT solicits applications; develops project selection criteria; reviews and selects projects for approval; develops and files an annual Program of Projects and grant application with the Federal Transit Administration (FTA); certifies eligibility of applicants and project activities; ensures compliance with Federal requirements by all local recipients; and monitors local project activity.

Applications for Rural Transit Program funds--FTA Section 5311 funds, and Ohio Public Transportation Grant Program funds, must be completed in accordance with the rules and requirements set forth in these Criteria and Application Instructions and the Rural Transit Manual. Where conflicting requirements or statements occur between these two documents, the Criteria supersede the Rural Transit Manual unless otherwise stated. These Criteria and complete instructions for submitting applications including all deadlines are contained on the ODOT Office of Transit website, www.dot.state.oh.us/ptrans.

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I. PROGRAM GOALS

The Program’s goals are to enhance the access of people in nonurbanized areas to shopping, health care, employment, public services, education and recreation; to assist in the development, maintenance, improvement, and use of public transportation in nonurbanized areas; and to encourage and facilitate the most efficient use of all Federal and State funds used to provide transportation in nonurbanized areas through the coordination of programs and services.

II. ELIGIBILITY REQUIREMENTS

A. Eligible Applicants

1. Eligible applicants for the Rural Transit Program include any of the following that are within a nonurbanized area:

   a. any municipality or village that is not within a county’s, county transit board’s (CTB), or regional transit authority’s (RTA) service area;

   b. any county that is not totally within an RTA’s or CTB’s service area;

   c. any CTB;

   d. any RTA; and

   e. a private nonprofit corporation, which has undergone the local selection process and has been designated as Grantee by the local public entity (i.e., municipality, village, or county). (See Paragraph B below.)

Only one eligible applicant per county can apply for Rural Transit funding. An eligible applicant may, however, apply for Rural Transit funding on behalf of another eligible applicant, e.g., a municipality applying for funding for the municipality as well as on behalf of the county; one county applying for funding for its own jurisdiction as well as on behalf of another adjacent county; or, an individual county, municipality, or village department applying on behalf of the entire county, city, or village. In all of these cases, the local officials of the county, city, or village for which the funds are being applied must adopt a resolution authorizing the application to be submitted on its behalf (see the sample resolution in the Application Instructions).

For new start systems where two or more eligible applicants within the same service area (e.g., a county and a municipality or village) wish to apply for funding, the County Commissioners will be responsible for choosing one eligible
applicant to apply for the Rural Transit funding on behalf of both parties. Authorizing resolutions, as described in the previous paragraph, are required from both parties. Or, if the County Commissioners choose, they may follow the designated grantee selection process set forth in paragraph B below for selecting the eligible applicant.

B. Designated Grantees

An eligible applicant for Rural Transit funding may wish to have public transportation service within its jurisdiction but may not choose to be the grantee for program funds. The eligible applicant can choose another eligible applicant to apply for Rural Transit funding on its behalf (see Eligible Applicants) or it may designate a private nonprofit corporation as the grantee for its community. This selection process must consist of the following steps:

1. holding a public hearing to offer interested private nonprofit corporations the opportunity to comment on proposed service and proposed designation of another grantee;

2. requesting each private nonprofit corporation attending the public hearing to submit an information package consisting of specific financial and operating information (refer to Volume I of the Rural Transit Manual, Chapter 2, Attachment 2-C for detailed guidance);

3. reviewing all information received from prospective private nonprofit corporations and selecting the private nonprofit corporation that will best meet local transportation needs, according to both local and ODOT criteria; and

4. submitting all information received from prospective private nonprofit corporations to ODOT for review and approval.

A grantee designation is effective for three years. Once a designated grantee has been selected, the designation will remain permanent, subject to a satisfactory triennial performance review of the selected agency. Satisfactory performance must be evaluated by the original grantee on the basis of the same criteria used in making the initial designation. If after the three year designation period the original grantee wishes to provide its services directly or choose another designated grantee, it may do so regardless of the past performance of the previously designated grantee. The eligible applicant may review its designation and/or disallow the grantee designation at any time during the designation period for poor performance or repeated non-compliance with federal and state requirements.

After a three year period, if the original grantee wishes to redesignate the grantee, the following process must be followed. The original grantee must advertise a
description of its transit services and service area and request that eligible applicants submit the financial and operating information outlined in Attachment 2-C of the Rural Transit Manual. The original grantee must review all information received from prospective agencies and select the agency that will best meet local transportation needs according to both local and ODOT criteria. The original grantee must submit to ODOT all information received from prospective agencies, a description of the local selection procedures and the name, address, telephone number, and contract person for the agency selected. ODOT will review all information submitted and notify the grantee of its decision regarding confirmation of the agency selected. ODOT reserves the right to disallow any designation if the Department believes the selection will not be in the best interest of citizens directly affected by the designation.

C. Pass Through Recipients

Many of Ohio’s rural counties are located adjacent to other rural areas or to urbanized areas, served by urban public transit systems. In these cases, ODOT encourages both the rural and urban systems to coordinate to the maximum extent feasible by coordinating schedules, routes, bus stops, fares, etc. to facilitate transportation within the region.

Additionally, an eligible applicant for the Rural Transit Program may apply for and “pass through” Rural Transit funds to another eligible Federal Transit Administration (FTA) applicant in either a rural or an urban area for all or a portion of the operations of the rural transit service in the eligible applicant’s service area if it is determined that this arrangement best meets its transportation needs.

It is at the discretion of the eligible applicant to choose the best mechanism for administering and operating rural transit service in its area, but any pass through agreement must have prior ODOT concurrence.

Although a competitive procurement is not required in this situation, ODOT strongly recommends that the eligible applicant conduct an analysis to ensure that the funds provided for the service are being used in a cost effective and efficient manner.

Contact the Office of Transit for further information and assistance.

D. Competitive Procurement

Eligible rural applicants as listed in Paragraph A of Section II may not wish to directly operate their rural transit service, but may choose to contract out all or a portion of the Rural Transit service. In these cases, the eligible applicant must conduct a competitive procurement. This procurement should be conducted prior
to the filing of the annual application so that documentation of the procurement can be included.

The procurement must meet all applicable local, State, and Federal procurement requirements. In addition, ODOT must review and approve all documents (proposal, award criteria, award recommendations, etc.) produced as part of the procurement. The Federal provisions are outlined in FTA Circular 4220.1E "Third Party Contracting Procedures." For further guidance, please refer to the Rural Transit Manual, Chapter 7.

Please note that an eligible applicant whose service area includes trips to an urbanized area must also advertise the competitive procurement in that urbanized area. The notice should encourage all interested parties including private nonprofit corporations, private and public transportation providers to prepare and submit proposals.

Based upon a comparison of the proposals, an eligible applicant may enter into a contract with a private nonprofit corporation or a private or public transportation provider for its transportation services.

E. Public Participation Process

Eligible applicants must ensure that the public is aware of the Rural Transit project and has adequate input into the project. Eligible applicants must, therefore, initiate a public participation process as part of their Rural Transit Program application requirements. This process must consist of, at a minimum, conducting a public hearing. The public hearing must be advertised at least once 30 days prior to the hearing; a 30-day comment period must follow the hearing. Eligible applicants also conducting the designated grantee process or a competitive procurement may publish combined public notices providing each individual activity is clearly described.

F. Transportation Service

Eligible transportation service under the Rural Transit Program is defined as:

1. Open to the general public.

2. Contract service provided to a group of people for a specified cost paid by a third party, e.g., Title XX group transportation, which meets the following criteria:
   a. is open to the general public;
   b. cannot interfere or detract from regular service, and the overall service is adequately marketed to the general public;
c. is offered during regular hours of operation. Contract service trips may be initiated or completed outside the regular hours of service only if one trip end originated within the normal hours of operation;

d. is provided as part of a written contract; and

e. cost of the contract service is 100% cost recoverable.

3. Service provided in nonurbanized areas within an established service area.

The Rural Transit Program is intended to provide general public transportation for a local nonurbanized area. All eligible applicants must, therefore, establish a local service area whose primary boundaries are the city limits or county lines. If a boundary other than the city limits or county lines is used, e.g., a zone or zones within the city or county, then a map must be provided showing the exact boundaries. Or, if one or more primary trip generators for the community are located just outside the city limits or county line, and the applicant intends to provide service to these trip generators as part of their primary service area, this must also be clearly indicated and marked on a service area map and provided as part of the application.

In addition, the applicant may propose to provide service outside the defined service area boundaries to other nonurbanized areas up to a limit of 100 miles on an incidental basis when this service is determined to be essential to the community. For example, when major medical services, employment centers, etc. are not available within the transit system’s primary service area (city or county) and connection to these services or areas is critical to the mobility of the citizens of the transit system’s community. When service is provided outside an applicant’s primary service area, the applicant is required to make connections to the extent feasible with public transportation services, which may be operating in the areas they are accessing.

In addition, an applicant may also provide service to an adjacent urbanized area under the conditions stated above, providing:

a. one trip originates or ends in the nonurbanized service area;

b. the service does not duplicate existing public transportation service provided within the adjacent urbanized area; and

c. the service links with other public transportation service, to the maximum extent feasible.
In the event that any of this service is across State lines, all requirements and regulations of the Federal Motor Carriers Safety Administration for provision of interstate transportation apply.

The Federal Motor Carrier Safety Administration (FMCSA) regulatory coverage over passenger transportation carriers extends to public entities, private, for-profit organizations, and private nonprofit transportation companies that engage in interstate transportation, regardless of whether the entity is a recipient of Federal funds. Therefore, any organization, either public or private, that engages in the practice of the interstate transportation of passengers must comply with the FMCSA regulations.

For these requirements, please refer to ODOT’s Guide for Provision of Interstate Transportation on the Office of Transit website, www.dot.state.oh.us/ptrans.

Please note, however, that any service provided as described in the preceding paragraphs cannot detract from nor negatively affect the regularly scheduled service within the applicant’s primary service area. If found to do so, this service will be deemed ineligible for Rural Transit Program (Section 5311) funding, including capital funding used to purchase vehicles and equipment, and/or the applicant could be requested to return all State or Federal funds used to provide such service.

The 100-mile limit specified above was effective January 1, 2004, and is measured from the outermost limit of the applicant’s primary service area boundaries (i.e. city limits, county line, etc.). This limit is set at the discretion of ODOT and can be rescinded and/or reduced if found to detract from or negatively affect the primary Rural Transit Program service.

4. Eligible transportation service does not include exclusive school transportation which is expressly prohibited with Rural Transit Program funding and equipment.

5. States and their Section 5311 sub-recipients are prohibited from using Federally-funded equipment or facilities to provide charter service except on an incidental basis and then only when one or more of the seven exceptions set forth in the charter service regulation in 49 CFR Section 604.9(b) apply.

Charter service is defined in 49 CFR part 604.5(e) as: “Transportation using buses or vans, or facilities funded under the Acts of a group of persons who pursuant to a common purpose, under a single contract, at a fixed charge (in accordance with the carrier’s tariff) for the vehicle or
service, have acquired the exclusive use of the vehicle or service to travel together under an itinerary either specified in advance or modified after having left the place of origin. This definition includes the incidental use of FTA funded equipment for the exclusive transportation of school students, personnel, and equipment.

The grantee must certify that it will provide charter service that uses equipment or facilities acquired with Federal or State assistance only to the extent that there are no private charter service operators willing and able to provide the charter service that is desired, unless one or more of the exceptions in 49 CFR 604.9 applies. The grantee must verify that it has gone through the required charter announcement process.

Incidental charter service will not interfere with or detract from the provision of mass transportation service, does not shorten the mass transit life of the equipment or facilities, and fully allocated costs are recovered. Mileage and/or hours are recorded and subtracted from the useful life of the equipment used to provide charter service.

Please refer to the Rural Transit Manual, Chapter 3, Section A for further information on school and charter service.

G. Eligible Assistance

No eligible applicant is eligible to receive both urban and rural capital or operating funding. This does not preclude an eligible applicant from providing service from a nonurbanized area to an urbanized area as set forth in Section II, Paragraph F(3). This also does not preclude an eligible rural applicant from coordinating with, or entering into pass through agreements with, an eligible urban applicant. See Section II, Paragraph C of these Criteria for further information.

There are two expenditure categories eligible for program assistance.

1. Capital Expenses.

   a. Capital expenses include the acquisition, construction, and improvement of public transit facilities and equipment needed for a safe, efficient, and coordinated public transportation system. Specifically, eligible capital expenses may include the cost of such items as replacement revenue vehicles, fare boxes and radios for revenue vehicles, revenue vehicle rehabilitation, facility rehabilitation, purchase or construction of a facility including architectural and engineering services, maintenance equipment, passenger amenities (i.e., shelters, signs, etc.), computer equipment, park-n-ride lots and original office equipment (replacement office
equipment is not an eligible capital expense).

b. Effective January 1, 2004, eligible capital expenses are those having a unit cost of $1,000 or more, a useful life of one year or more, and can be inventoried. Capital items below this threshold may still be eligible to be purchased with operating funds (see #2 below). The formula for Federal and State reimbursement of capital expenses is described in Section V of these Criteria. Refer to the Rural Transit Manual, Chapters 4 and 5 for further explanation of capital expenses.

c. Also effective January 1, 2004, any requests for facility purchases, construction, architectural and engineering services for purchase or construction of a facility, or rehabilitation of an existing facility must be accompanied by a feasibility study completed by the applicant which documents the need for a facility, other alternatives to purchase, construction, or rehabilitation which have been explored but found to be unsatisfactory, any cost analyses performed such as the cost savings of purchase versus lease, a space study/analysis documenting the need for additional space, operational, maintenance, or administrative, etc. This study must be completed and submitted prior to submitting an application for funding of the project. In addition, the purchase, construction, A/E services, or rehabilitation of a facility must be included in the four year capital and operating plan prior to the submission of an application.

d. Effective January 1, 2004, ODOT will issue no contract for A/E services, construction or purchase of a facility until the applicant can provide documentation to ODOT that a local contract for the award, purchase, or construction will be awarded within thirty days. ODOT will, however, issue a project approval providing the applicant with the authority to proceed with the project until the contract is issued.

e. In planning for vehicle purchases, grantees must also maintain sufficient back-up vehicles for their fleet. Grantees with a peak-hour operating requirement of 1 to 10 vehicles are allowed two back-up vehicles; grantees with a peak-hour fleet of 11 or more are allowed a spare ratio of 20% of their fleet. Please note that this must include wheelchair-accessible vehicles.

f. In accordance with the Americans With Disabilities Act (ADA), all revenue vehicles acquired for fixed route service must be lift-equipped. Demand response systems may purchase an expansion or replacement revenue vehicle without a lift if the system can prove its fleet is at least 50 percent accessible and all ADA needs are being met.

2. Operating Expenses.
Operating expenses are those costs directly related to system operations. A system’s total operating expenditures are divided between operating costs and administrative costs. At a minimum, the operating costs include fuel, oil, maintenance, and drivers’, dispatchers’ and mechanics’ salaries and benefits.

Administrative costs include, but are not limited to, directors’, bookkeepers’ and secretaries’ salaries and benefits, marketing, and travel. Refer to the Rural Transit Manual, Chapter 5, for further explanation of operating expenses. The funding formula for these expenditures is detailed in Section V, Paragraph C, of these Criteria.

Operating expenses can also include the purchase of capital items including but not limited to computer and office equipment. Capital items may only be purchased with operating funds if; (1) a budget line item expense has been set-up and approved by ODOT during the annual application process or; (2) a line item budget revision is submitted to and approved by ODOT. The Grantee is responsible for covering with local funds any operating budget cost overruns as a result of purchasing these items.

H. Eligible Local Match

Under the Rural Transit Program revenue received from service agreements with either local or State human service agencies can be considered as eligible local match even though the original source of this revenue may be from another Federal program. In addition, there are several categories of Federally apportioned funds that may be used as eligible local match for the Program. Examples of these funds are CDBG, Title III, and Title XX.

Non-federal sources of eligible match may include local or State appropriations, donations or dedicated tax revenues. Non-cash eligible local match such as volunteer time and in-kind contributions are also eligible but must be documented and supported in an ODOT-approved in-kind plan. More information and guidance may be found in the Rural Transit Manual, Chapter 5.

III. NEW AND EXPANDED SERVICE

A. Service Expansions and Demonstrations

Existing rural transit systems may expand their service or conduct service demonstrations within their existing allocations as their local needs dictate. Systems should, however, at a minimum conduct basic planning such as documenting the need for the expansion through a needs assessment or survey of
the area, gathering ridership data, forecasting expenses and revenue, and conducting a public participation process (See the Rural Transit Manual, Chapter 2). Systems must also request and obtain ODOT concurrence in writing prior to any service expansions or demonstration projects.

Requests for additional Federal and State funds for service expansions beyond what can be provided within a transit system’s allocation, e.g., expanding from a City only service to county wide, are approved on a case by case basis at the discretion of the Administrator. If an existing rural transit system plans to request additional Rural Transit funds for its service expansion, then the following steps must be followed:

1. Reflect expansion on the system’s Four Year Capital and Operating Plan (at least one year prior to expansion start date; if proposed expansion is planned earlier than one year, a waiver is required from the Administrator);

2. Develop a Transit Development Plan (TDP) or service expansion plan with justification for the expanded service (needs assessment, survey, etc. at least nine months to one year prior to expansion start date); and

3. Develop a budget for the expansion, which indicates total expenses and anticipated revenues, local funds to be provided, and the required Federal and State funds for the expansion.

B. New Starts

Applications for new start Rural Transit Program funding (counties with no ODOT funded public transportation system) will not be accepted for the CY2006/2007 Rural Transit Grant Program.

IV. PLANNING

All Rural Transit grantees must biennially submit a Four Year Capital and Operating Plan. See Section VII, Part D(2), for further information. Additionally, all Rural Transit projects must be included in the Statewide Transportation Improvement Program (STIP). ODOT prepares the STIP information on behalf of all rural transit systems. Rural transit systems, which are located within the planning jurisdictions of Metropolitan Planning Organizations, however, must also be included in the local Transportation Improvement Program (TIP). This includes existing rural transit systems in Ashtabula County, City of Bowling Green, Delaware County, Geauga County, Medina County, and Warren County.

Local governmental agencies and nonprofit organizations receiving assistance from other Federal agencies for non-emergency transportation services must also participate and coordinate with FTA recipients in the design and delivery of transportation services and
be included in the planning for those services. Rural Transit grantees must, therefore, include these organizations on their transit advisory and planning committees and ensure that they are included in all public participation activities. In communities where formal coordination activities are occurring, ODOT expects the rural transit system to be an active participant in the coordination effort.

V. DISTRIBUTION OF GRANT FUNDS

A. Operating Allocation Formula

ODOT will bi-annually allocate Federal and State operating funds to each grantee using a performance-based allocation formula developed for the Program. ODOT’s formula to bi-annually allocate funding is based on a system’s previous performance with respect to local revenues (25%), revenue vehicle miles (25%) and passengers (50%) and compliance with Program requirements and associated deadlines.

Eligible applicants may apply for all or a portion of their allocation. Any eligible applicant who does not use its entire allocation for three consecutive years will have its allocation reduced accordingly (in subsequent years) at ODOT’s discretion. These funds will then be redistributed.

The funding formulas for capital and operating assistance are described below.

B. Capital Assistance

Capital funding is discretionary. Projects will be considered for capital funding (refer to Section II, paragraph G, sub-paragraph 1 for eligible capital expenses) as long as the capital project is consistent with Program eligibility criteria, and has been programmed on a system’s Four Year Capital and Operating Plan. All project awards will be based on total funds available. ODOT reserves the right to reduce any and all awards based on available funding.

The Federal share of eligible capital equipment will not exceed 80 percent of the total project cost. State assistance from the Ohio Public Transportation Grant Program (OPTGP) will not exceed 10 percent of the total project cost with the local share equaling the remaining percentage. The Deputy Director may adjust these percentages at her discretion as funding levels dictate.

C. Operating Assistance

The Federal share for program operating expenses will be the lesser of up to 50
percent of the net project cost or the applicant’s Federal allocation. The State
share will be the lesser of up to 30 percent of the total project budget or the
applicant’s State allocation. The remaining percentage of the budget will represent
the eligible local share.

D. Ohio Elderly and Disabled Transit Fare Assistance (E&D)

The Ohio Elderly and Disabled Transit Fare Assistance (E&D) program is now
applied for under a separate annual application process.

VI. APPLICATION PROCEDURES

ODOT requires one application for program operating and capital assistance. A combined
contract or two separate contracts, one for operating and one for capital, will be issued at
ODOT’s discretion. The application must reflect the projects and funds programmed in
an eligible applicant’s approved Four-Year Capital and Operating Plan on file with
ODOT; however, a grantee’s request for State and Federal operating assistance cannot
exceed its allocation except as described in Section V of these Criteria.

Applications must be e-mailed to:

ODOT.RuralTransit.Grants@dot.state.oh.us no later than September 1. If
September 1 falls on a weekend or holiday, the application is due the first
business day after September 1. The e-mail must clearly identify both the
grantee and the documents being submitted as described in the Application
Instructions. Required exhibits and certifications with original signatures, as
indicated by the application instructions, must be mailed, postmarked no later
than September 1. If September 1 falls on a weekend or holiday, the exhibits
and certifications must be postmarked the first business day after September 1.
Both submissions must be received by the deadline in order to be considered on
time.

If no Four Year Capital and Operating Plan has been filed for the program
year, applications will not be accepted.

Application instructions and all deadlines for requesting capital and operating
assistance are described in the Application Instructions section of these
Criteria.

VII. PROGRAM ADMINISTRATION

A. Grant Contract
Upon approval of an application, ODOT will send the grantee one copy of a two year grant contract, signed by ODOT, which will specify the type of eligible assistance and the amount of grant funds to be provided to the grantee each year. The grantee must sign and return the original copy within thirty days of receipt or said contract may be voided. No payments will be made until ODOT’s Office of Transit receives the signed contract. The grantee is responsible for making a file copy of the completely executed contract.

B. Payment of Grant Funds

1. Operating Grants

Each year of the contract ODOT will automatically pay the grantee one-twelfth (1/12) of its Federal operating contract amount each month except for the month of December and during reconciliation months. These automatic payments will be based upon the grantee’s estimated average monthly expenses. Grantees will receive its State operating funds for each year of the contract in four installments. The first six-month installment of the State operating contract amount will be paid after contract execution; the second three-month installment will be paid in August; the third two-month installment in November; and the fourth and final one-month payment will be made upon receipt and approval of the quarterly and final end-of-the year reconciliation invoices.

Payments for the second year of the contract will begin upon receipt of the executed Certifications and Assurances for the second year of the program or January whichever occurs last.

All grantees are required to use ODOT’s computerized spreadsheet invoice or the Grants Management Accounting System (GMAS) to submit quarterly operating reconciliation invoices.

Each grantee will submit via e-mail a quarterly reconciliation invoice, which reconciles on a year-to-date basis its actual operating expenses, the amount of Federal and State grant funds required based upon its actual expenses, the amount of Federal and State grant funds actually received through the automatic monthly and quarterly payment process, and any overpayments or underpayments made. The e-mail submissions must be made to ODOT.RuralTransit.Invoices@dot.state.oh.us on the 15th day of the month following the end of each calendar quarter for each of the first three quarters. The e-mail must identify the system and the invoice in the subject line (e.g., Ashland-1stQtrInvoice, Wilmington-2ndQtrInvoice, etc.). Invoices which are not transmitted to this e-mail account and/or which are not identified appropriately will not be accepted. The fourth quarter invoice must be submitted no later than February 15 following the
end of the contract period. An interim fourth quarter invoice will be accepted prior to February 15th; however, the invoice must be clearly marked as an “interim” invoice. **If the invoice is not marked “interim,” when the final invoice is received, if additional payments are due to the grantee, they will not be made.** The amount requested in all invoices must correspond to the operating expenses incurred by the grantee. When a grantee’s invoice indicates that the total of its automatic monthly and quarterly payments exceeds the amounts required based upon actual expenses, an amount equal to the overpayment will be withheld from one or more subsequent payments. Any underpayments will be added to subsequent payments. ODOT will withhold December payments until the grantee submits a final invoice and all costs to date are reconciled. Note that State funds will be reconciled each quarter except for the first quarter.

2. Capital Grants

Upon receipt of a fully executed grant contract, a capital grant reimbursement invoice with all required supporting documentation and a fully completed capital purchase summary, including an inventory number, ODOT will pay the Federal and State contract amounts according to the previously described funding formulas for each capital item purchased.

Grantees have one year from the date the grant contract is issued in which to award a contract for approved capital projects contained in a grant contract. Architectural and engineering, construction, and rehabilitation projects have one year from ODOT’s project approval date. As indicated in Section II, Eligibility Requirements, paragraph G. Eligible Assistance, no contract for these types of projects will be issued nor funds encumbered until proof of local contract award is provided to ODOT. Any contracts or items for purchase not awarded within this time period are ineligible for reimbursement.

When all items of a capital grant contract have been acquired, the grantee must sign page four of the capital grant invoice to authorize closeout. **If page four is signed prior to all capital items being purchased, the grantee may be subject to having the grant closed prior to all capital payments being made.**

When the first capital invoice is submitted, all capital items that are to be purchased off of the capital grant must be listed in column one and column ten. All remaining columns must be completed at the time the invoice is submitted for the corresponding purchase. Page four should be a cumulate summary of the capital invoices submitted to date.

For further information regarding reimbursement, please refer to the Rural Transit Manual, Chapter 5. Grantees choosing to participate in ODOT’s
Cooperative Purchasing Program can also follow the reimbursement guidance outlined in Chapter 8 of the Manual. The Cooperative Purchasing Program is also further discussed below in Paragraph C, Procurement.

Private nonprofit designated grantees must have ODOT listed as first lien holder on all vehicle titles purchased through this program. For vehicles purchased through ODOT’s Cooperative Purchasing Program (term contract), ODOT will provide title and delivery documents directly to the vendor. For all other vehicle purchases, the applicant is responsible for obtaining the documents from ODOT and providing them to the vendor. For the purchase of real property, written procurement procedures and guidelines must be established and followed, and deed restrictions must be applied and on file at ODOT.

Capital projects for the second year of the contract will be added via amendment.

C. Procurement

When procuring property, equipment, supplies, or services, grantees must comply with the requirements for bidding described in FTA Circular 4220.1E, “Third Party Contracting Requirements.”

In acquiring vehicles, equipment or transportation services or in constructing a facility or for anything that is required to be bid out according to local laws or the common rule, ODOT must review and approve the grantee’s specifications, proposals, and plans prior to advertising. Likewise, ODOT must review and concur in all bids, proposals, and the grantee’s recommendation.

ODOT has also established the Cooperative Purchasing Program, which offers term contracts for selected vehicles. Grantees interested in purchasing from ODOT term contracts must indicate their interest in Exhibit B of their capital application. Office of Transit staff will contact all designated grantees after their application is approved to confirm their vehicle selection. ODOT will then issue a purchase order to the vendor on the designated grantee’s behalf. ODOT will also invoice the grantee for the local share and reimburse the vendor for the vehicle. All other grantees are responsible for issuing purchase orders to the vendors, reimbursing the vendors, and invoicing ODOT for the Federal and State shares.

Any vehicle purchased through the Cooperative Purchasing Program (Term Contracts) with Rural Transit funds must be included in the Rural Transit Program Application. The grantee must specify in the application (capital project budget form) their intent to purchase through ODOT’s Cooperative Purchase Program. The grantee must also indicate on the capital project budget form the
anticipated time line for issuing the purchase order. This date will be used by ODOT to monitor the system milestone dates.

At the time the application is submitted, the grantee must submit the resolution or ordinance that has been passed by the governing body granting authorization to participate in the ODOT term contracts.

The procedure for purchasing off of term contract is outlined in Chapter 8 of the Rural Transit Manual. The only change is in step A.2. where the adoption and submission of the resolution must be completed at the time the application is submitted.

For a step-by-step description of ODOT’s procurement process, including the term contracts, please refer to the Rural Transit Manual, Chapter 8.

D. Reporting Requirements

1. Quarterly Operating Data

The grantee must submit via e-mail quarterly operating data reports (supplied by ODOT on Excel spreadsheet) on the 15th day of the month following the end of the calendar quarter. The e-mail submissions must be made to ODOT.RuralTransit.Invoices@dot.state.oh.us and must identify the system and the report in the subject line (e.g., Ashland-1stOpData, Wilmington-2ndQtrOpData, etc.). Reports which are not transmitted to this e-mail account and/or which are not identified appropriately will not be accepted. Failure to submit the report within the requested time schedule can result in the withholding of Federal and State funds.

2. Four-Year Capital and Operating Plan

The Four-Year Capital and Operating Plan is a biennial program requirement. It requires a listing, by calendar year, of the capital items the grantee expects to purchase in the next four years, the estimated cost, and justification for each acquisition as well as a four-year projection of operating expenses and revenues. This Four-Year Capital and Operating Plan must be submitted to ODOT by March 1 of each odd calendar year; updates to reflect changes in funding or the addition or deletion of a project must be submitted for ODOT concurrence. Amendments to the second year of the Four Year Capital Plan must be submitted and approved by May 1 of each even calendar year. Operating application budgets must correspond with the figures shown on the four-year plan. Capital applications for items not included on an approved Plan will not be accepted.

3. Title VI
Each eligible applicant applying for funds must submit updated Title VI General Requirements within its Rural Transit Application. Signed assurances will not have to be resubmitted again until the next application. Title VI requirements are described in FTA Circular 4702.1 “Title VI Program Guidelines.”

E. Vehicle and Equipment Inventory, Inspection, and Disposition

All Rural Transit Grantees must maintain and update through the Public Transportation Facilities and Equipment Management System (PTMS) a complete vehicle and equipment inventory of all capital items purchased with Rural Transit Program capital and operating funds. Vehicles owned by a private operator and used in the provision of Rural Transit service but which were not purchased directly with Rural Transit Program capital or operating funds must also be included in PTMS. PTMS information is used to satisfy the Federal inventory requirements for the Rural Transit Program and to provide a basis for projecting Ohio’s transit capital needs. The inventory must be reported and maintained in accordance with the Rural Transit Manual, Chapter 9. PTMS reports must also be updated and maintained on site. ODOT will inspect all Program equipment every three years as part of the management performance review process.

Disposition requests are approved individually by ODOT in accordance with ODOT disposition criteria. Please refer to the Rural Transit Manual, Chapter 9, Section B. Any proceeds from the sale of vehicles and equipment approved for disposition by ODOT are retained by the grantee if the fair market value is under $5,000. If the fair market value is over $5,000, the Federal and State share of the proceeds must be returned to the FTA and ODOT, respectively. Please consult ODOT for disposition guidelines.

F. Quality Assurance Reviews

ODOT or its representative will conduct on-site quality assurance reviews of each grantee and service provider every three years.

G. Project Audits

Each grantee must submit an annual audit of project records including an audit or financial statement of all third-party transportation service providers to ODOT within 30 days of receipt for the previous operating year. This audit information must be provided in accordance with the Rural Transit Manual, Chapter 5, Section H, and OMB Circular A-133, Audits of State and Local Governments and Non-Profit Organizations. In addition, ODOT may conduct its own independent audit of the grantee and any service providers under contract to the grantee.
VIII. INTERCITY BUS PROGRAM

A. Eligible Service

Intercity bus service is regularly scheduled bus service for the general public which operates with limited stops over fixed routes connecting two or more urban areas not in close proximity, having the capacity for transporting baggage carried by passengers, and making meaningful connections with scheduled intercity bus service to more distant points, if such service is available. Intercity bus activities eligible for FTA funding include planning and marketing for intercity bus transportation, intercity bus shelters, joint-use stops and depots, purchase-of-service agreements, user-side subsidies and demonstration projects, and coordination of rural connections between public transit systems and intercity bus carriers. This list does not preclude other capital and operating projects for the support of rural intercity bus service nor does it guarantee funding. All intercity projects will be reviewed on a case by case basis and approved within ODOT’s total available Rural Transit Program funding.

Operating assistance to a public or private nonprofit organization may be provided for the direct operation of intercity service only after appropriate consideration of participation by private for-profit service providers has been made. Capital assistance may be provided to purchase vehicles or vehicle related equipment such as wheelchair lifts for use in intercity service.

Feeder service, the coordination of rural connections between small transit operations and intercity bus carriers, is also eligible. Feeder service may be demand responsive, while intercity service is by definition fixed route. Eligible costs for feeder service include marketing and extended hours of service that connects with scheduled intercity service. Where feasible, intercity bus feeder service may also provide access to intercity connections with rail or air service.

B. Non-eligible Service

Commuter service is designed primarily to provide daily work trips within the local commuting area and is not considered eligible intercity service. Charter and tour services are also non-eligible for intercity funding.

C. Application for Intercity Funds

Intercity funding requests must be reflected in a grantee’s Four Year Capital & Operating Plan and included in the annual Rural Transit Program application. The eligible intercity activities and corresponding amount of intercity funds must be clearly identified in the application letter, Exhibit A – Operating Project Description and Budget, and Exhibit B – Capital Project Description. 49 U.S.C.
section 5323 (a) requires the participation of private mass transportation companies to the maximum extent feasible. Rural Transit program grantees may wish to partner with private intercity bus operators for improvements to existing intercity terminal facilities for rural passengers and modifications to transit facilities to facilitate shared use by intercity bus and rural transit operators. Rural Transit Program grantees may also enter into contract with private intercity bus operators to provide assistance to support specific intercity route segments and applications of Intelligent Transportation Systems (ITS) technology for coordinated information and scheduling.

These Criteria for the Rural Transit Program are hereby established.

_________________________________  _________________________
Gordon Proctor, Director                  Date

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