



# Alaska State Management Plan



## Alaska Department of Transportation & Public Facilities

Alaska Community Transit

Effective 07/25/2017



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**FOREWORD**

The purpose of this state management plan is to present Alaska Community Transit's (ACT) policies regarding administration of Federal Transit Administration (FTA) and Alaska Mental Health Trust (AMHT) grant programs that support public and human services transportation. The purpose is not to restate FTA policy; thus, ACT does not restate FTA policy in instances where ACT has not adopted an additional policy. Procedures relating to administration of these programs are presented in separate documents. ACT solicited public comment before adopting this plan.

## **I. INTRODUCTION**

The Federal Transit Administration (FTA) requires each state that receives and administers Federal funding under Section 5310, Enhanced Mobility of Seniors and Individuals with Disabilities; Section 5311, Formula Program for Grants to Rural Areas; and Section 5339, Bus and Bus Facilities Formula Program, to have an approved State Management Plan (SMP) on file with the appropriate regional FTA office. Each state must update the SMP regularly to incorporate management changes that occur. This SMP is intended to facilitate the Alaska Department of Transportation & Public Facilities (DOT&PF) management, and FTA's oversight, of Alaska's transit programs by documenting the State's policies relating to the administration of these programs. Procedures are addressed in other documents.

The Governor of the State of Alaska has designated DOT&PF to receive and disburse FTA grant funds. The Alaska Community Transit (ACT) office administers the FTA grant programs, as well as the Alaska Mental Health Trust Authority (AMHT) transportation funds and State General Funds for public transportation.

ACT's mission is to provide access and mobility within the communities of Alaska, both urban and rural, through transit services that are safe, appealing, efficient, and easily-available to both the general public and transit dependent populations. To this end, ACT will:

- Assist in the maintenance, development, and improvement of public transportation systems, including providing a mechanism for systematic replacement of existing fleets
- Facilitate the most efficient use of all funds and most effective delivery of services through the coordination of programs and services
- Encourage greater local support of transit systems, fostering a federal-state-local partnership in maintaining a stable funding base for transit
- Ensure that transit investment decisions consider policy directions, customer input, available resources, system performance and funding levels
- Develop and maintain positive relationships with DOT&PF customers through communications and responsiveness
- Maximize revenue streams and explore innovative funding options to sustain and develop transit services
- Supplement rather than supplant local resources in achieving the maximum benefit from available subsidies
- Effect a fair and equitable distribution of funds across the State, assuring that urban areas, federally-recognized tribes, and rural areas are all given an opportunity to participate
- Recognize that the transportation dependency of individuals isolated from essential services should be a determinant in the distribution of funds
- Educate Alaskans on the benefits of public transportation and requirements for coordination
- Promote mobility management and demand-driven transit system planning

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## II. PROGRAM INFORMATION

### A. SECTION 5303/5304 METROPOLITAN PLANNING AND STATE PLANNING AND RESEARCH PROGRAM

#### 1. GOALS & OBJECTIVES

The Alaska Section 5303/5304 Metropolitan Planning and State Planning and Research Program (MPP) provides for contracts and grants for the following: projects related to preparing transportation plans and programs; planning, engineering, designing and evaluating a public transportation project; and conducting technical studies related to public transportation.

Section 5303 funding is used for transit planning in the metropolitan areas of the State.

Section 5304 funding provides for rural planning and technical studies on a statewide level, as well as planning and technical assistance to agencies in rural and small urban areas. Program objectives are to:

- Prepare a strategic plan that includes the mission, objectives, initiatives, and performance goals for coordinated and community transportation in the State and performing other tasks related to improving agency coordination and combining of services to achieve cost savings in the funding and delivery of community and public transportation services
- Encourage the development of innovative approaches to planning, design and evaluation of transit services and facilities
- Fund planning and technical projects which serve statewide and local needs, including local operation of public transportation

#### 2. ROLES & RESPONSIBILITIES

ACT administers both Section 5303 and 5304 grant programs. ACT:

- Notifies eligible local entities of the availability of MPP assistance
- Determines how Section 5303 assistance should be allocated to urbanized areas
- Reviews the Unified Planning Work Program (UPWP) work tasks
- Develops and forwards the Section 5303 application to FTA
- Ensures compliance with Federal requirements by all subrecipients
- Monitors the subrecipients' project activity
- Oversees project audit and grant closeout

#### 3. ELIGIBLE SUBRECIPIENTS

ACT awards Section 5303 funds to the Municipality of Anchorage and the Fairbanks North Star Borough by agreement between the metropolitan planning organizations, Anchorage Metropolitan Area Transportation Solutions (AMATS) and Fairbanks Metropolitan Area Transportation System (FMATS), and the municipalities.

#### 4. LOCAL SHARE & LOCAL FUNDING REQUIREMENTS

The federal share is 80 percent and the local match is 20 percent. All of the local share must be cash or services provided from sources other than United States Department of Transportation (USDOT) funds, except where permitted to be used as match for other USDOT funds.

#### 5. PROJECT SELECTION CRITERIA & METHOD OF FUND DISTRIBUTION

Section 5303 funds are distributed to the Municipality of Anchorage and the Fairbanks North Star Borough according to the FHWA-approved metropolitan planning distribution formula in Alaska. Projects must be

included in the UPWP. In order to make the best use of funds and allow for more planning options, these are two year grants.

ACT awards Section 5304 funds on a discretionary basis.

## **B. SECTION 5310 ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES**

### **1. GOALS & OBJECTIVES**

The purpose of Section 5310 is to provide transportation services which meet the special needs of seniors and individuals with disabilities for whom public transportation services are unavailable, insufficient, or inappropriate.

ACT uses funds for:

- The purchase of vehicles and related capital equipment
- Acquisition of transportation services under contract (purchase of service)
- Operating assistance

The annual Section 5310 apportionment is included in the State Transportation Improvement Program (STIP) that DOT&PF updates annually.

### **2. ROLES & RESPONSIBILITIES**

ACT is the designated recipient for small urbanized and rural funds. ACT administers the program through a single application process that includes funding from AMHT. A proposal evaluation committee (PEC) advises ACT in the review and ranking of applications. The PEC members may represent State agencies who coordinate social, rehabilitation, aging and tribal services as well as providers and consumers. Once applicants are selected, ACT ensures compliance with Federal requirements by all subrecipients; monitors the subrecipients' project activity; and oversees project completion and grant closeout. ACT retains 10 percent of the available funds for direct and indirect administration of the program.

### **3. ELIGIBLE SUBRECIPIENTS**

There are three categories of eligible subrecipients for Section 5310 funds:

- Private nonprofit organizations exempt under IRS Section 501(c)3
- Public bodies or Alaskan Native tribes that certify to ACT that there are no nonprofit agencies available in the area to provide the service
- Public bodies or Alaskan Native tribes approved by the State to coordinate services for seniors and persons with disabilities

All applicants must have, and participate in, an up-to-date coordinated public transit-human services transportation plan.

### **4. LOCAL SHARE & LOCAL FUNDING REQUIREMENTS**

The federal share for capital projects (purchase of vehicles, related capital equipment or acquisition of transportation services under contract) is 80 percent and the local match is 20 percent. All of the local match must be cash or services provided from sources other than USDOT funds, except where permitted to be used as match for other USDOT funds. For vehicle and related capital equipment purchases, the local match must be cash only. Other federal funds can be used as match if allowed by that program.

The federal share for operating assistance is 50 percent and the local match is 50 percent. Funds are available to cover the net operating deficit after fares are applied to eligible expenses. All of the local match must be cash or services provided from sources other than USDOT funds, except where permitted to be used as match

for other USDOT funds. Other federal funds can be used as match if allowed by that program. Donations are considered local match.

## 5. PROJECT SELECTION CRITERIA & METHOD OF FUND DISTRIBUTION

The PEC scores applications using ACT's electronic grant management system. The criteria assesses such factors as technical capacity, need, ridership, inclusion in a coordinated plan, coordination potential, increased mobility or access to services for target populations, level of local funding contributions, vehicle utilization, vehicle replacement value, ADA compliance, and maintenance and storage capability. Projects in areas with no public transit receive priority. ACT staff reserves the final decision on award amount and funding source. ACT announces awards on its website as well as on gov.delivery, the State's electronic notification system. Award decisions may be appealed following the ACT appeal process.

In keeping with the goal of the Section 5311 program to open the rural human services transportation network to the general public, ACT considers the availability of public transit in the community when determining the amount of Section 5310 and AMHT funding for operating assistance/acquisition of transportation services.

## C. SECTION 5311 FORMULA GRANT FOR RURAL AREAS

### 1. GOALS & OBJECTIVES

The purpose of the Section 5311 program is to support general public transportation in rural areas. The goals of the program are to:

- Encourage the maintenance, development, improvement and use of public transportation systems
- To encourage and facilitate the most efficient use of all federal funds used to provide passenger transportation in rural areas through the coordination and consolidation of programs and services
- And assist in the development and support of intercity bus transportation.

### 2. ROLES & RESPONSIBILITIES

ACT administers the program on behalf of the State; distributes the funds; ensures compliance with Federal requirements by all subrecipients; monitors the subrecipients' project activity; and oversees project completion and grant closeout. ACT retains 10 percent of the available funds for direct and indirect administration of the program.

### 3. ELIGIBLE SUBRECIPIENTS

Eligible subrecipients of Section 5311 funds are local public bodies and agencies, private nonprofit organizations, and federally recognized Alaskan Native tribes. Direct FTA recipients in urbanized areas are ineligible for Section 5311 assistance, even if they provide service in rural areas.

### 4. ELIGIBLE SERVICES & SERVICE AREAS

ACT provides Section 5311 funding for public transit, including complementary paratransit, in the rural areas of Alaska. Rides must start and end within the State. Incidental use is allowable with prior approval from ACT office. Complementary paratransit must meet ADA requirements.

### 5. LOCAL SHARE & LOCAL FUNDING REQUIREMENTS

ACT provides Section 5311 assistance in the following categories, in the order of priority, as listed below. Match ratios vary by category.

- Operating:
  - Federal share – Shall not exceed 56.86 percent of the net operating deficit.

- Local match – At least 43.14 percent of the net operating deficit must be matched from local sources. The program allows funds received from service agreements with State or local public or private agencies to be used as match, even though the original source of funds may have been from another federal program.
- Capital:
  - Federal Share – Shall not exceed 90.97 percent of the project cost.
  - Local Match – At least 9.03 percent is required of the project cost. All of the local match must be cash or services provided from sources other than USDOT funds, except where permitted to be used as match for other USDOT funds.
- Project Administration
  - Federal Share – Shall not exceed 90.97 percent of the project cost.
  - Local Match – At least 9.03 percent of the project cost must be matched from local sources. All of the local match must be cash or services provided from sources other than USDOT funds, except where permitted to be used as match for other USDOT funds.
- ADA Paratransit:
  - Federal Share – Shall not exceed 90.97 percent of the net operating deficit. Net project costs are eligible expenses less farebox revenue.
  - Local Match – At least 9.03 percent is required of the net operating deficit. All of the local match must be cash or services provided from sources other than USDOT funds, except where permitted to be used as match for other USDOT funds.
- Preventative Maintenance:
  - Federal Share – Shall not exceed 90.97 percent of the project cost.
  - Local Match – At least 9.03 percent is required of the project cost. All of the local match must be cash or services provided from sources other than USDOT funds, except where permitted to be used as match for other USDOT funds.
- Planning:
  - Federal Share – Shall not exceed 90.97 percent of the project cost.
  - Local Match – At least 9.03 percent is required of the project cost. All of the local match must be cash or services provided from sources other than USDOT funds, except where permitted to be used as match for other USDOT funds.

## **6. PROJECT SELECTION CRITERIA & METHOD OF FUND DISTRIBUTION**

ACT caps the amount of Section 5311 assistance provided to each rural area of the State for operating assistance, project administration, preventive maintenance, and ADA paratransit. ACT does not include the amount of capital awarded when determining whether an area meets the cap. As a result, ACT has been able to fund all requests up to the cap amount.

ACT gives priority to maintenance of current transit efforts. Annually, ACT reviews the funding needs of existing subrecipients and availability of future funding. In deciding whether to accept new applications or new projects for existing subrecipients, ACT considers its ability to maintain those efforts.

Before allocating Section 5311 funds, ACT may reserve a portion of the funds for discretionary capital projects.

## **D. RURAL TRANSPORTATION ASSISTANCE PROGRAM**

The Rural Transit Assistance Program (RTAP) is a broad and flexible program of training, technical assistance, research and other support services for rural public transit agencies. ACT receives an annual allocation to develop and implement training and technical assistance programs in conjunction with the State's administration of the Section 5311 Program.

ACT does not require match for RTAP funding.

Annually, ACT consults Section 5311 providers for use of RTAP funds. ACT-sponsored trainings are open to Section 5310 and 5307 providers on an incidental basis.

## **E. RURAL INTERCITY BUS SERVICE**

Alaska is not part of the national intercity bus network; however, ACT will use up to 15 percent of its annual apportionment to provide capital, project administration, and operating assistance to public transportation projects providing long distance, limited stop service to Anchorage from rural areas. ACT solicits intercity bus projects annually as part of the Section 5311 application process. ACT obtains the Governor's certification that the intercity bus needs of the State are adequately met in relation to other rural needs in years that the 15 percent minimum are not met. Only projects that operate year-round are eligible for intercity bus funds. Current projects that do not meet this requirement are grandfathered into the program.

## **F. SECTION 5339 BUS AND BUS FACILITIES**

### **1. GOALS & OBJECTIVES**

ACT uses Section 5339 funds to finance capital bus and bus-related projects for fixed-route providers that will support the continuation and expansion of public transportation services.

### **2. ROLES & RESPONSIBILITIES**

ACT is the designated recipient for small urbanized and rural funds. ACT administers the program on behalf of the State through a single application process to determine eligible applicants and projects. Once applicants are selected, ACT develops the POP and submits the Section 5339 application to FTA; ensures compliance with FTA requirements by all subrecipients; monitors the subrecipients' project activity; and oversees project completion and grant closeout.

### **3. ELIGIBLE SUBRECIPIENTS**

Eligible subrecipients of Section 5339 funds are local public bodies and agencies, private nonprofit organizations and federally recognized tribes. Providers in rural areas are eligible for the national distribution allocation.

### **4. LOCAL SHARE & LOCAL FUNDING REQUIREMENTS**

The federal share for capital bus and bus-related projects is 80 percent of the cost of the project and the local match is 20 percent. All of the local match must be cash or services provided from sources other than USDOT funds, except where permitted to be used as match for other USDOT funds. For vehicle and related capital equipment purchases, the local match must be cash only. Other federal funds can be used as match if allowed by that program.

### **5. PROJECT SELECTION CRITERIA & METHOD OF FUND DISTRIBUTION**

ACT gives priority to maintenance of current transit efforts. Annually, ACT reviews the funding needs of existing subrecipients and availability of future funding. In deciding whether to accept new applications or new projects for existing subrecipients, ACT considers its ability to maintain those efforts.

### **G. ALASKA MENTAL HEALTH TRUST**

The purpose of AMHT funding is for start-up operating and capital funds to plan for and coordinate mobility and human services transportation systems in local communities by pooling available resources, i.e., coordinated transportation. Other options may include projects such as taxi voucher programs and taxi accessibility projects. This program also provides funds to purchase or replace accessible vehicles owned by consumer-run and other provider non-profit corporations for non-coordinated uses where coordination is not feasible. AMHT funds are distributed using the same application and award process as Section 5310.

### **H. ALASKA STATE GENERAL FUNDS**

Alaska State General Funds are discretionary funds allocated by the Governor during the budget process. These funds are given to ACT to provide a percentage of match funds to public transit and human service transit projects funded by FTA and AMHT. ACT distributes the funds at its discretion.

## **III. GENERAL INFORMATION**

### **A. TRANSFER OF FUNDS**

DOT&PF may flex Surface Transportation Program (STP) funds into Sections 5310 and 5311.

ACT may transfer Section 5310 funds between small urban and rural areas after the Governor certifies that all of the objectives of the Section 5310 program are being met in those specified areas. Direct FTA recipients will apply to FTA for projects selected through the ACT application process.

ACT-awarded Section 5311 and 5339 funds will be transferred to FTA upon request from a federally recognized tribe.

Urbanized areas apply directly for their 5339 apportionments.

### **B. ANNUAL PROGRAM OF PROJECTS DEVELOPMENT AND APPROVAL PROCESS**

The fiscal year apportionments for Sections 5310, 5311, and 5339 are made available by FTA on an annual basis. Based on these amounts and prior years' unused funding, ACT determines the total amount of funding available to applicants for each grant program. ACT solicits applications for projects, reviews and scores applications, and determines the amount of funding each application is eligible to receive. ACT then prepares a Program of Projects (POP) and application to submit to FTA. This is completed in late February of each year.

ACT executes Sections 5310, 5311, and 5339 FTA grant applications through FTA's Electronic Award Management System (TrAMS) as follows:

- ACT enters and submits the application for Federal Assistance to FTA for their approval
- FTA approves the grant
- ACT executes the grant

Once ACT has executed the FTA grant, the State's fiscal office is able to set up the funding structure in its accounting system. The funding is then available for subrecipient agreements to be created and distributed.

### **C. COORDINATION**

The State defines coordination as an ongoing strategy of committed funders, providers, and stakeholders working together to improve both local and statewide transportation options through planning, shared resources, and consolidation of programs. Local coordination is required of all subrecipients. Through coordination, ACT seeks to provide general public transportation services in communities where appropriate.

Section 5310 projects must be derived from a coordinated public transit-human service transportation plan or "coordinated plan." Participants in the development of the plans must include seniors; individuals with

disabilities; representatives of public, private, and nonprofit transportation and human service providers; and other members of the public. ACT requires that plans be updated every five years, with funding priorities updated annually and approved by resolution from the local governing body.

#### **D. PRIVATE SECTOR PARTICIPATION**

It is the policy of ACT to encourage the use of the capabilities and resources of the private sector to meet the demand for transportation service in Alaska and to provide the opportunity for the private sector to participate in the planning process. The private sector participates in the planning and implementation of public transit programs as follows:

- Private operators are given an opportunity to participate through membership on local Community Coordination committees.
- Private operators are given an opportunity to participate in the development of transportation plans. Private operators are informed of the planning and preparation of transit development plans and notified of scheduled public meetings.
- During the planning process, potential recipients are encouraged to coordinate with public, private for-profit, and private nonprofit local entities in the provision of coordinated transportation services, in order to enhance opportunities for private sector participation.
- Public notification for public transit-human services transportation coordination plans must include the invitation to all public, private non-profit and private for-profit transportation providers.
- Sections 5310 and 5311 operators are encouraged to consider contracting service where it is determined that private transportation operators can provide efficient and safe transit service. Comparison of transit service proposals include an evaluation of all fully allocated costs of public and private transit services and proposals, including any operating subsidies, capital grants and the use of public facilities.
- Public and private nonprofit agencies are required to maintain documentation of the participatory planning process and rationale used in making public/private service decisions. Agencies are responsible for identifying and documenting impediments to private sector participation. If the impediments are local, the agency is encouraged to resolve the problems at the local level. In the event the impediment is at the State or federal level, the agency reports the impediment to ACT.

#### **E. STATE ADMINISTRATION AND TECHNICAL ASSISTANCE**

Ten percent of the State's Section 5310 and 5311 annual apportionments is used by the State as the Federal share of the transit program's administrative costs. No State administrative costs may be incurred for RTAP. At its discretion, the State will apply for up to ten percent of flexible funds transferred into a Section 5310 or 5311 grant.

ACT provides technical assistance and training to rural private and public transit operators. This assistance is geared toward building technical capacity and improving the effectiveness of transit operations.

#### **F. CIVIL RIGHTS**

The DOT&PF Civil Rights Office (CRO) has primary responsibility for administering the FTA disadvantaged business enterprise (DBE) and Title VI programs. The CRO is tasked with monitoring sub-recipient compliance through provider-level Title VI Programs, tracking discrimination complaints, and ensuring compliance with the USDOT DBE Program. Implementation of these programs are detailed in the AKDOT&PF DBE Program Plan and AKDOT&PF Title VI Nondiscrimination Program Plan. ACT works closely with the CRO on development and monitoring of all civil rights programs. These documents can be located at the Alaska Department of Transportation Civil Rights Office, [http://www.dot.alaska.gov/admsvc/civil\\_rights.shtml](http://www.dot.alaska.gov/admsvc/civil_rights.shtml)

## G. SECTION 504 AND AMERICANS WITH DISABILITIES ACT (ADA)

ACT has primary responsibility for ADA compliance; the DOT&PF Civil Rights Office serves as a resource. ACT ensures compliance with Section 504 and ADA through technical assistance to, and compliance reviews of, subrecipients.

## H. PROGRAM MEASURES

ACT has not established program measures.

## I. PROGRAM MANAGEMENT

### 1. MONITORING AND OVERSIGHT

ACT conducts a risk-based oversight program that comprises three types of reviews:

- **Comprehensive reviews** – conducted every two-to-five years, based on the level of risk and need, of every Section 5303, 5310, and 5311 subrecipient. The purpose of the comprehensive review is to identify the strengths and weaknesses of a transit system and to ensure compliance with State and federal rules and regulations. Additional objectives of the review are to identify and promote good practices, identify training and technical assistance needs, and spend time one-on-one with subrecipients. Three primary functional areas of a transit system are investigated during a review: administration and management, operations and service provisions, and service planning and marketing. The review is designed to be used as one part of a technical assistance effort. After completion of a review, technical assistance will be provided to the transit system to improve the deficient area(s) and to document exemplary performance to share with other transit systems.
- **Drug and alcohol program reviews** – conducted every two-to-five years based on the level of risk and need of every Section 5311 subrecipient. The purpose of this review is to ensure compliance with 49 CFR parts 40 and 655.
- **Agreed-upon scope/program-specific reviews** – conducted on a case-by-case basis when a comprehensive review identifies issues, or when issues are identified outside of the review program. Examples include financial audits and conflict of interest reviews.

### 2. REPORTING

Section 5303 projects are required to submit quarterly a planning status report describing work performed and a unified work program expenditure summary. In addition, each MPO, based on its quarterly report, submits a request for reimbursement.

Section 5310 and 5311 projects are required to submit quarterly reports relative to operations, ridership, performance, and financial costs. Reimbursements may be withheld if quarterly reports are not submitted in a timely manner.

Recipients that receive only vehicles funded with AMHT funds submit annual reports.

ACT staff prepares and submits an annual NTD report based on information provided by subrecipients.

### 3. PROCUREMENT

Procurement may be the responsibility of either the DOT&PF or the recipient agency.

For ACT procurements, ACT develops procurement specifications for projects and then DOT&PF handles the procurement process. All ACT procurements go through the DOT&PF Procurement Office, and all procurements are conducted by certified (State Procurement Officer Certification or State Construction Contracting Certification) procurement/contracting officers. State procurement/contracting officers are required to follow Alaska Statute 36.30 (State Procurement Code), 2 AAC 12 (Alaska Administrative Code for Procurement), DOT&PF Policy and Procedures Chapter 10 Procurement, and Department procedures for FTA

funded procurements. Finance will not certify payment for an invoice that is not associated with a written purchase order or contract.

Subrecipients must submit all procurements exceeding \$25,000 to ACT for review and approval so that ACT can ensure that the procurements comply with State and FTA requirements.

#### 4. CONSTRUCTION MANAGEMENT AND ENVIRONMENTAL PROTECTION

Construction management may be the responsibility of either the DOT&PF or the recipient agency.

For DOT&PF-managed projects, DOT Statewide Public Facilities manages the project.

For subrecipient-managed projects, DOT&PF participates in the project by assisting with and reviewing the recipients application to FTA, reviewing requests for proposal and invitations for bid, and reviewing contract language between recipient and A&E. DOT&PF also receives periodic progress reports from recipients, and participates in the final inspection of facilities.

The recipient agency is responsible for environmental analysis activities. The contract between DOT&PF, FTA, and the recipient agency addresses environmental analysis requirements. All projects must address environmental requirements in the application to FTA. DOT&PF reviews public involvement processes for each project. FTA reviews all applications.

DOT Statewide Public Facilities provides technical assistance and oversight upon request.

#### 5. VEHICLE/EQUIPMENT USE, INSURANCE, MAINTENANCE AND DISPOSITION

ACT maintains control over vehicles and/or equipment through electronic inventory, annual reports, annual vehicle use certifications, liens, and disposition and insurance requirements.

The State requires vehicles have a minimum of \$500,000 in liability coverage. ACT recommends a minimum coverage of a combined single limit of \$1,000,000 for subrecipients with grant funded vehicles.

ACT requires written vehicle maintenance plans and that subrecipients maintain vehicles and/or equipment at a high level of cleanliness, safety, and mechanical soundness following at a minimum the original manufacturer's recommended maintenance procedures and schedules. Subrecipients must document all maintenance completed and maintenance expenditures.

ACT has developed the following useful life policy for the purpose of evaluating vehicle disposition requests and capital replacement applications. The ACT vehicle useful life policy is based on both of the following conditions:

Vehicle Classification	Useful Life Miles	Years
Automobile	100,000	4
Sports Utility Vehicle	100,000	4
Mini-Van / Van	100,000	4
Cut-Away	150,000	5
Bus 25'-35' Light Duty	150,000	5
Bus 25'-35' Medium Duty	200,000	7
Bus ~30' Heavy Duty	350,000	10
Bus 35'-40' Heavy Duty	500,000	12
Ferry: Passenger	n/a	25
Ferry: Other w/o Refurbishment	n/a	30
Ferry: Other w Refurbishment	n/a	60

Agencies must submit transfer and disposition actions to ACT for approval. In the event of loss due to casualty, fire, or theft, the insurance settlement will go toward the replacement of the lost vehicle/equipment.

**6. CERTIFICATIONS AND ASSURANCES**

All subrecipients must sign the FTA certifications and assurances annually.

**7. FINANCIAL MANAGEMENT**

ACT, in conjunction with the Financial Management Division of DOT&PF, maintains a system of accounting and internal controls to assure accurate and timely cash flow to local projects.

Uniform reporting is required of all projects with a separate project code established for each grant. The project codes are established, per State of Alaska standard accounting and record-keeping procedures, immediately upon notification of grant approval. Reconciliation is performed regularly by ACT with a comparison of expenditures made between the State's electronic Integrated Resource Information System (IRIS) and ACT records to assure that all invoices and reimbursement requests have been processed correctly. DOT&PF's Financial Management Division uses the IRIS detail ledger to compile the Electronic Clearing House Operation System (ECHO) billing submitted to FTA on a monthly basis.

Each subrecipient is responsible for accurate and complete disclosure of its expenditures and revenues. Reimbursement of eligible expenses is made within 30 days of receipt of satisfactory documentation.

Projects receive reimbursement for no more than the amount of the grant total specified in their contract. A credit balance in a project at the end of the grant period represents unearned funds; these funds are then recalculated for redistribution in the next grant year. The grant program manager may amend the ending date of a grant.

**8. COMPLAINTS**

The State requires all local transportation providers to have written complaint procedures to resolve local disputes. A complaint that cannot be resolved at the local level may be appealed to ACT, who will review the case and contact all involved parties. After due consideration, ACT will make a final recommendation to the Director of Program Development. Once the information regarding the complaint has been reviewed, the Director will make the final determination.

**9. CHARTER SERVICE**

ACT does not allow charter service by providers receiving FTA funding through the State. Exceptions may be considered on rare occasions.

**10. PROJECT CLOSEOUT**

Unless otherwise specified in the grant agreement, projects must be completed and agreements closed in one year. At its discretion, ACT may grant extensions to extend grant agreement end dates. Final billing must be submitted by the end of the second month following the termination date listed on this grant agreement or as amended.