SANDAG

2020 SPECIALIZED TRANSPORTATION PROGRAM MANAGEMENT PLAN

Adopted by the SANDAG Transportation Committee on October 16, 2020

Approved by the Federal Transit Administration on October 22, 2020
Table of Contents

Executive Summary ......................................................................................................................................... 1
Purpose ....................................................................................................................................................... 1
Detailed Plan Overview ............................................................................................................................... 1
Chapter 1: Introduction .................................................................................................................................. 3
  1.1 Transportation Planning ........................................................................................................................ 3
  1.2 Roles and Responsibilities ...................................................................................................................... 3
    Federal Transit Administration ................................................................................................................ 3
    Caltrans .................................................................................................................................................. 4
    San Diego Association of Governments ............................................................................................... 4
    Recipients/Subrecipients ....................................................................................................................... 8
  1.3 Program Background and Program Goals .............................................................................................. 9
    Job Access and Reverse Commute Program .......................................................................................... 10
    New Freedom Program .......................................................................................................................... 11
    Section 5310 Program ........................................................................................................................... 11
    Senior Mini-Grant Program ................................................................................................................... 11
Chapter 2: Distribution Of Funds .................................................................................................................. 12
  2.1 Funding Sources ................................................................................................................................. 12
    Federal Funds ...................................................................................................................................... 12
    Local Funds .......................................................................................................................................... 13
  2.2 Specialized Transportation Grant Programs Implementation ................................................................ 13
    Phase I: Development and Release of the Call for Projects ................................................................... 13
    Phase II: Award of Grant Funding ........................................................................................................ 14
    Phase III: Implementation .................................................................................................................... 16
    Phase IV: Monitoring and Reporting .................................................................................................... 17
Chapter 3: Funding Eligibility, Evaluation Criteria, and Program Requirements .............................................. 19
  3.1 Funding Eligibility ................................................................................................................................ 19
    Geographical Boundaries ....................................................................................................................... 19
    Eligible Use of Program Funds ............................................................................................................. 19
    Coordinated Plan Requirement ............................................................................................................ 20
    Eligible Projects and Applicants .......................................................................................................... 21
    Ineligible Expenses .............................................................................................................................. 25
    Equitable Distribution of Project Benefits ............................................................................................ 25

2020 Program Management Plan
Other Equipment ......................................................................................................................... 53
Contract Transportation Services ................................................................................................. 53

4.4 Vehicle and Other Equipment Monitoring and Reporting ................................................. 53
Vehicle Maintenance ................................................................................................................... 53
Vehicle and Other Equipment Progress Report .......................................................................... 54
Monitoring and Vehicle Audits ................................................................................................. 54

Chapter 5: Monitoring And Reporting ...................................................................................... 56
5.1 Performance Monitoring and Reporting ............................................................................... 56
Program Measures ..................................................................................................................... 56
Budget Tracking ......................................................................................................................... 58
Grant Status Update Reports .................................................................................................... 58

5.2 Compliance Monitoring and Reporting ............................................................................... 59
Monitoring Checklist .................................................................................................................. 59
Site Visits and Desk Reviews .................................................................................................... 60
Grant Compliance and Oversight ............................................................................................... 61

Figures and Tables

Figure 1.1: Urbanized Area of San Diego County ........................................................................ 6
Table 1.1: Funding Cycles of Specialized Transportation Grant Programs ............................... 10
Table 2.1: Anticipated Grant Agreement Execution Windows for Funds Awarded Through Cycle 11 17
Table 3.1: Eligible Geography, Applicants, and Projects ............................................................ 24
Table 3.2: Federal Matching Funds Requirement ........................................................................ 26
Table 3.3: TransNet Senior Mini-Grant Matching Funds Requirement .................................. 27
Table 3.4: Sample Title VI Approval Schedule .......................................................................... 45
Table 4.1: Vehicle Procurement Process .................................................................................... 50
Table 5.1: Fiscal Year Calendar ................................................................................................. 58

2020 Program Management Plan

iv
Executive Summary

This Program Management Plan (PMP) describes the San Diego Association of Governments (SANDAG) policies and procedures for administering its Specialized Transportation Grant Program, which includes the Federal Transit Administration (FTA) Section 5310 and TransNet Senior Mini-Grant programs. Additionally, SANDAG continues to monitor projects awarded funding under the former FTA Section 5316 Job Access and Reverse Commute (JARC) and Section 5316 New Freedom programs.

This PMP includes the following appendices, which can be found at sandag.org/stgp:

- Evaluation Criteria
- Lease Agreement
- Monitoring Checklist
- Section 5310 Grant Agreement
- Senior Mini-Grant Agreement
- Subrecipient Maintenance Oversight
- Vehicle and Other Equipment Inspection Form

Purpose

Federal guidance for Section 5310 (FTA Circular [C] 9070.1G) requires that SANDAG develop a PMP to facilitate grant management and FTA oversight over the program. This PMP is designed to ensure that all applicable SANDAG policies and federal, state, and local statutes and regulations are fulfilled. Specifically, the purpose of this PMP is to fulfill several functions:

1. Provide guidance to local project applicants, subrecipients of federal funds, and TransNet grantees;
2. Provide public information on the administration of the SANDAG Specialized Transportation Grant Program, including FTA grant and Senior Mini-Grant programs; and
3. Serve as the basis for the FTA to perform management reviews of SANDAG administration of the federal grant programs.

The intent of this PMP is to ensure that the maximum possible benefit is enjoyed by the community through a fair and equitable distribution of available funds and the effective administration and monitoring of the specialized transportation grant program. Updates to applicable statutes or FTA Circulars will not necessitate revisions to this PMP unless specifically required.

Detailed Plan Overview

The following sections include a brief overview of the information provided in each of the PMP chapters:

Chapter 1: Introduction

This chapter contextualizes the Specialized Transportation Grant Program within the broader transportation planning activities performed by SANDAG and describes the roles and responsibilities of all parties involved in
the administration of the Specialized Transportation Grant Program. Additionally, this chapter outlines program goals for each grant program.

Chapter 2: Distribution of Funds

This chapter describes the grant implementation procedures, including the competitive process, through which SANDAG distributes both federal and local funds for specialized transportation projects. SANDAG distributes funding through the Section 5310 and Senior Mini-Grant programs.

Chapter 3: Funding Eligibility, Evaluation Criteria, and Program Requirements

This chapter outlines funding eligibility, evaluation criteria, and program requirements for both the Section 5310 and Senior Mini-Grant programs.

Chapter 4: Capital Procurement

This chapter discusses the procedures for capital procurement, including the purchase of vehicles, through the Specialized Transportation Grant Program.

Chapter 5: Monitoring and Reporting

This chapter outlines the program measures and other performance data that SANDAG collects for reporting to the FTA and SANDAG committees and describes the regular monitoring procedures that SANDAG implements to ensure oversight of the Specialized Transportation Grant Program.
Chapter 1: Introduction

1.1 Transportation Planning

As both the federally-designated Metropolitan Planning Organization (MPO) and state-designated Regional Transportation Planning Agency (RTPA) for San Diego County, the San Diego Association of Governments (SANDAG) is required to conduct long-range (minimum of 20 years) transportation planning for the San Diego region. San Diego Forward: The Regional Plan (Regional Plan) outlines a plan for a regional transportation system that further enhances quality of life, promotes sustainability, and offers more mobility options for people and goods. The Regional Plan is built on a set of integrated public policies, strategies, and investments to maintain, manage, and improve the transportation system so it meets the diverse mobility needs of the San Diego region through 2050.

The Coordinated Public Transit – Human Services Transportation Plan (Coordinated Plan) supports SANDAG’s long-range transportation planning by providing a five-year implementation plan of public transit and specialized transportation concepts described in the Regional Plan. The Coordinated Plan combines the regional requirement for a Short-Range Transit Plan with the federal requirement for a Coordinated Plan into one concise planning document. The Coordinated Plan both evaluates available transportation services in the region and establishes strategies to provide transportation to the most sensitive population groups in the county, including seniors, individuals with disabilities, and low-income persons, among other recognized transportation-disadvantaged population groups. These strategies inform funding prioritization in the distribution of Section 5310 and Senior Mini-Grant funds, and formerly of Job Access and Reverse Commute (JARC) and New Freedom funds.

The Federal Transit Administration (FTA) requires that SANDAG update the Coordinated Plan at least every four years and include significant public outreach. SANDAG has chosen to update the Coordinated Plan every other year, with public outreach conducted appropriate to the extent of proposed revisions to the document.

1.2 Roles and Responsibilities

There are several parties involved in the administration of federally and locally funded specialized transportation grants. The following sections outline the roles and responsibilities of federal, state, and local entities pertaining to the administration of the Section 5310 and Senior Mini-Grant programs as well as the continued monitoring of projects funded through the former JARC and New Freedom programs.

Federal Transit Administration

The FTA has the responsibility for national implementation of the former JARC and New Freedom programs (Section 5316 and Section 5317) and the Section 5310 program, for which it has provided program guidance in Circular (C) 9045.1, C 9050.1, and C 9070.1G respectively. The guidance elaborates upon the intent of these programs, interprets some provisions, and provides additional instructions and requirements. Updates to applicable statutes or FTA Circulars will not necessitate revisions to this PMP unless specifically required.
The FTA performs several other functions for these programs in addition to providing policy and program guidance. Congress apportions program funds to states and designated recipients, and the FTA reviews and approves grant applications obligating funding. Other responsibilities of the FTA include developing and implementing financial management procedures; initiating and managing program support activities; and providing technical assistance, advice, and guidance to states and designated recipients as needed. The FTA is also responsible for overall oversight of the federal programs. The FTA is required by law to establish performance goals to define the level of performance and to establish performance indicators to be used in measuring relevant outputs, service levels, and outcomes for each of its grant programs. The FTA gathers performance data from grant recipients and monitors program performance through periodic program reviews. Additionally, the FTA oversees recipient’s implementation of the programs, which includes reviewing and approving statewide and MPO Transportation Improvement Programs and performing triennial reviews and state or program management reviews every three years or as circumstances warrant.

Caltrans

Caltrans is the designated recipient of Section 5310 funds for the state’s small urbanized and rural areas. In San Diego County, there are currently no small urbanized areas. Caltrans is responsible for the administration of Section 5310 funds for the non-urbanized (rural) areas in San Diego County. In its role as RTPA, SANDAG assists Caltrans with local administration of the state-wide competitive process for the Rural Section 5310 program. Additionally, Caltrans continues to monitor projects awarded funds under the former JARC and New Freedom programs for the rural areas in San Diego County and vehicles awarded through the Section 5310 program under Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU).

San Diego Association of Governments

As previously stated, SANDAG is the federally-designated MPO and state-designated RTPA for San Diego County. Unlike other MPOs that operate under a Joint Powers Agreement, SANDAG was created as a joint powers agency, but has since had its governance structure codified by the California Legislature in the San Diego Region Transportation Consolidation Act (Public Utility Code §132350 et seq.) as of January 1, 2003. Transportation planning, programming, project development, and construction for the region are now consolidated under SANDAG.

The Governor of the State of California appointed SANDAG as the designated recipient for JARC and New Freedom funds, under SAFETEA-LU, and for Section 5310 funds, under Moving Ahead for Progress in the 21st Century (MAP-21), for the urbanized portion of San Diego County in letters dated August 21, 2006, and April 23, 2014, respectively. SANDAG continues to be the designated recipient of Section 5310 funds under the Fixing America’s Surface Transportation (FAST) Act.

SANDAG, as the designated recipient, assumes the responsibility for the development of the Coordinated Plan for San Diego County, and administration of the JARC, New Freedom, and Section 5310 programs for the Census-defined San Diego urbanized area (Figure 1.1), including the preparation of the Program Management Plan (PMP). Among the specific tasks required by federal statute for this designation are:

- Conducting an area-wide solicitation for applicants for grants if a competitive selection process is used
- Certifying fair and equitable distribution of funds
- Certifying that each project selected for funding was derived from the Coordinated Plan
Certifying that the Coordinated Plan was developed through a process that included participation by seniors, individuals with disabilities, representatives of public, private, and nonprofit transportation and human service providers, as well as participation by other members the public.

TransNet is a ½ cent transactions and use tax collected pursuant to a countywide ordinance approved by a supermajority of the voters of the region. As the transportation authority collecting TransNet revenues, SANDAG is responsible for administering all elements of the TransNet program, including the Senior Mini-Grant program. This includes developing program requirements and selection criteria, determining applicant eligibility, notifying eligible applicants of the availability of funds, selecting projects for funding, and monitoring awarded projects.

Board of Directors

SANDAG is governed by a Board of Directors composed of mayors, council members, and county supervisors from each of the region’s 19 local governments. Voting members include two elected officials from the City of San Diego and the County of San Diego and one elected official from each of the other 17 cities, for a total of 21 voting members. Supplementing these voting members are advisory representatives from Imperial County, Caltrans, Metropolitan Transit System (MTS), North County Transit District (NCTD), United States Department of Defense, San Diego Unified Port District, San Diego County Water Authority, the Southern California Tribal Chairman’s Association, and Mexico. More information about the Board of Directors and its members is available on SANDAG’s website.

The Board of Directors plays a role in the administration of the Specialized Transportation Grant Program. Several Board policies govern SANDAG operations and day-to-day activities. Board Policy No. 035: Competitive Grant Program Procedures, approved in January 2010 and amended since, outlines competitive grant program procedures. The policy applies to all grant programs administered through SANDAG, including the Specialized Transportation Grant Program. Board Policy No. 035 is available on the SANDAG website and is discussed further in Chapter 3, Section 3.3.

The Board of Directors also plays a role in the competitive process. The Board of Directors approves project eligibility and evaluation criteria, awards grant funding, and approves the Regional Transportation Improvement Program (RTIP), which includes the grant-funded projects.
Figure 1.1: Urbanized Area of San Diego County
Transportation Committee

In addition to the Board of Directors, SANDAG has six standing policy advisory committees: the Executive Committee, Regional Planning Committee, Transportation Committee, Borders Committee, Public Safety Committee, and Audit Committee.

The Transportation Committee advises the Board of Directors on major policy-level matters related to transportation. The Transportation Committee assists in the preparation of the Regional Transportation Plan and other regional transportation planning and programming efforts and provides oversight for the major highway, regional arterial, regional bikeway, and transit projects programmed in the RTIP.

The Transportation Committee approves and adopts updates to the Coordinated Plan. Because priorities for project funding listed in the Coordinated Plan inform project evaluation and selection criteria, the Coordinated Plan must be adopted by the Transportation Committee prior to the call for projects. During the competitive process, the Transportation Committee reviews and provides recommendations to the Board of Directors on project eligibility and evaluation criteria per Board Policy No. 001. It also reviews and provides recommendations to the Board of Directors on funding allocations and amendments to the RTIP. The Transportation Committee also plays a key role in the oversight of the Specialized Transportation Grant Program. The Transportation Committee receives grant status update reports on a quarterly basis. These reports keep the Transportation Committee informed on the performance of active grants awarded funding under the Section 5310 and Senior Mini-Grant programs. The Transportation Committee also has the authority to grant time extensions per Board Policy No. 035.

Social Services Transportation Advisory Council

SANDAG draws upon its working groups for stakeholder input and public participation. The purpose of the Social Services Transportation Advisory Council (SSTAC) (required by California Public Utilities Code [PUC] Section 99238) is to advise SANDAG on any major transit issues, including the coordination and consolidation of specialized transportation services. As such, the SSTAC advises SANDAG on the development of the Coordinated Plan and administration of the Specialized Transportation Grant Program. The minimum membership of the SSTAC is outlined in PUC Section 99238 and includes representatives of senior and disabled transit users; the two transit operators in San Diego County (MTS and NCTD); the local Consolidated Transportation Service Agency (CTSA); and social service providers serving seniors, individuals with disabilities, and low-income individuals. SANDAG has added additional key stakeholders to improve input into developing and updating these plans and programs.

Independent Taxpayer Oversight Committee

The TransNet Extension Ordinance and Expenditure Plan of 2004 established the Independent Taxpayer Oversight Committee (ITOC). The ITOC is intended to provide an enhanced level of accountability for expenditures made under the TransNet Extension Ordinance. The ITOC functions in an independent, open, and transparent manner to ensure that all voter mandates are carried out as required and to develop recommendations for improvements to the financial integrity and performance of TransNet programs. The ITOC reports to the public and makes recommendations to the policy advisory committees and the Board of Directors. During the competitive process, the ITOC reviews eligibility and evaluation criteria for the TransNet Senior Mini-Grant program and verifies that Senior Mini-Grant projects recommended for funding are consistent with the TransNet Extension Ordinance and Senior Mini-Grant Program objectives. The ITOC receives grant status update reports on the performance of Senior Mini-Grant projects on a quarterly basis.
Public Participation and Outreach

In addition to the SSTAC, other local agencies, stakeholders, members of the public, and public and private transportation partners are involved in the development of the Coordinated Plan and project eligibility and evaluation criteria for the Section 5310 and Senior Mini-Grant programs.

SANDAG maintains a wide-ranging list of public and private transportation providers, social services providers, school districts, tribes, and businesses, which is used to distribute the notice of availability of funds. This notice includes information regarding a Grant Applicant Workshop that informs interested applicants about program requirements and provides instructions for completing an application.

SANDAG Staff

The Grants Division (within the SANDAG Contracts and Grants Department) administers the Specialized Transportation Grant Program. There are several other SANDAG departments that support the Grants Division in administering and monitoring the Specialized Transportation Grant Program. The Grants Division coordinates with staff from the Office of General Counsel (Legal Department), Office of Diversity and Equity, Contracts Division, Regional Planning Department, Department of Strategic Communications, and Finance Department. For administration of the Senior Mini-Grant program, the Grants Division staff additionally coordinates with the TransNet Department. These staff members assist Grant Division staff throughout various phases of the competitive process as well as in executing grant agreements, procuring grant-funded vehicles, monitoring overall program performance, and fulfilling all federal and local reporting requirements.

Recipients/Subrecipients

Each specialized transportation grant program administered through SANDAG has different program requirements, including the type of organizations eligible to apply for grant funds. Only eligible applicants per program requirements may receive grant funding for that particular program. For details on applicant eligible applicants, see Section 3.1. All organizations that are awarded funding and enter into a grant agreement with SANDAG are responsible for meeting program requirements and grant agreement requirements including, but not limited to, reporting requirements related to Title VI of the Civil Rights Act, making best efforts to execute grant projects, and complying with other applicable local, state, and federal requirements.

As previously stated, SANDAG is the designated recipient of Section 5310 funds (and formerly of JARC and New Freedom funds) for the urbanized area in San Diego County. SANDAG is a grantee of the FTA and is considered a direct recipient of federal funds. Organizations receiving federal funds through SANDAG are considered subrecipients. SANDAG submits a grant application to the FTA and monitors subrecipient compliance with federal requirements. Though San Diego’s two transit operators are direct recipients of federal funds under certain federal programs (e.g. Section 5307), NCTD and MTS are not direct recipients of Section 5310 funds. Therefore, like other subrecipients, NCTD and MTS enter into a subrecipient relationship with SANDAG to receive Section 5310 funds.

Similarly, SANDAG executes grant agreements with grantees awarded TransNet Senior Mini-Grant funds and monitors grantees’ performance.
1.3 Program Background and Program Goals

SANDAG is responsible for the administration of four specialized transportation grant programs, listed below.

1. JARC – former federal program under SAFETEA-LU
2. New Freedom – former federal program under SAFETEA-LU
3. Section 5310 – federal program administered by SANDAG under MAP-21 and the FAST Act
4. Senior Mini-Grant – local program funded through TransNet

The SANDAG Specialized Transportation Grant Programs began the fall of 2006 when SANDAG held its first competitive process to distribute JARC and New Freedom funds. Since then SANDAG has held nine additional competitive processes for a total of ten funding cycles. Table 1.1 provides information on each of the funding cycles, including the Federal Fiscal Year (FFY) (for federal programs) or Fiscal Year (FY) (for the Senior Mini-Grant program) of program funds distributed, the open and close of the call for projects, and the date when the Board of Directors approved funding.
Table 1.1: Funding Cycles of Specialized Transportation Grant Programs

<table>
<thead>
<tr>
<th>Cycle</th>
<th>FFY or FY of Funding/Grant Program</th>
<th>Call for Projects</th>
<th>Approval of Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>FFY 2006 JARC</td>
<td>October 6 – November 16, 2006</td>
<td>February 27, 2007</td>
</tr>
<tr>
<td></td>
<td>FFY 2006 New Freedom</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FFY 2007 - FFY 2009 New Freedom</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FY 2009 Senior Mini-Grant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>FFY 2009 JARC</td>
<td>October 1 – December 12, 2008</td>
<td>February 27, 2009</td>
</tr>
<tr>
<td>5</td>
<td>FFY 2010 JARC</td>
<td>August 13 – November 12, 2010</td>
<td>February 25, 2011</td>
</tr>
<tr>
<td></td>
<td>FFY 2010 New Freedom</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FY 2012 - FY 2013 Senior Mini-Grant</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FFY 2011 New Freedom</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>FFY 2012 JARC</td>
<td>August 1 – October 31, 2012</td>
<td>March 22, 2013</td>
</tr>
<tr>
<td></td>
<td>FFY 2012 New Freedom</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FY 2014 - FY 2015 Senior Mini-Grant</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FY 2016 - FY 2017 Senior Mini-Grant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>FFY 2015 – FFY 2016 Section 5310</td>
<td>July 22 – October 24, 2016</td>
<td>March 24, 2017</td>
</tr>
<tr>
<td></td>
<td>FY 2018 – FY 2019 Senior Mini-Grant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>FFY 2017 – FFY 2018 Section 5310</td>
<td>July 27 – October 25, 2018</td>
<td>March 22, 2019</td>
</tr>
<tr>
<td></td>
<td>FY 2020 – FY 2021 Senior Mini-Grant</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The following sections provide background information and outline program goals of each grant program previously and currently administered by SANDAG.

Job Access and Reverse Commute Program

The JARC program was a federal program authorized under SAFETEA-LU, which was enacted on August 10, 2005. FTA guidance for JARC (FTA C 9050.1) was released on May 1, 2007, and continues to inform SANDAG monitoring of JARC-funded projects. The goals of the JARC program, as stated in FTA C 9050.1, are to improve access to transportation service to employment and employment-related activities for welfare recipients and eligible low-income individuals and to transport residents of urbanized and non-urbanized areas to suburban employment opportunities. The JARC program therefore provides grant funds to support transportation services planned, designed, and carried out to meet the transportation needs of low-income individuals and reverse commuters regardless of income.
MAP-21 eliminated JARC as a stand-alone program. Projects once eligible under JARC are now eligible under the Section 5307 Urbanized Area Formula Grant program. SANDAG continues to monitor and provide administrative support to projects awarded JARC funds through previous competitive grant cycles.

New Freedom Program

The New Freedom program was a federal program authorized under SAFETEA-LU. FTA guidance for New Freedom (FTA C 9045.1) was released on May 1, 2007, and continues to inform SANDAG monitoring of New Freedom projects. The goal of the New Freedom program, as stated in FTA C 9045.1, is to provide additional tools to overcome existing barriers facing Americans with disabilities seeking integration into the workforce and full participation in society. The New Freedom program provides grant funding for specialized transportation services for individuals with disabilities that exceed the minimum requirements of the Americans with Disabilities Act of 1990 (ADA).

MAP-21 folded the New Freedom program into the Section 5310 program. Projects once eligible under the New Freedom program are now eligible under the Section 5310 program. SANDAG continues to monitor and provide administrative support to projects awarded funds through the New Freedom program from previous competitive grant cycles.

Section 5310 Program

Under MAP-21, enacted on July 6, 2012, the Section 5310 program merged with the former New Freedom program to become the new Section 5310 program: Enhanced Mobility of Seniors and Individuals with Disabilities. FTA released guidance for the Section 5310 program on June 6, 2014 (FTA C 9070.1G). The goal of the Section 5310 program, as stated in FTA C 9070.1G, is to improve mobility for seniors and individuals with disabilities throughout the country by removing barriers to transportation services and expanding the transportation mobility options available. The Section 5310 program provides grant funding for transportation services planned, designed, and carried out to meet the special transportation needs of seniors (aged 65 and older) and individuals with disabilities in all areas—large urbanized, small urbanized, and rural.

Senior Mini-Grant Program

TransNet is San Diego County’s half-cent sales tax for transportation projects. The TransNet Extension Ordinance, passed by San Diego voters in November 2004, includes a provision for a Senior Mini-Grant program to provide specialized transportation services for seniors. The TransNet Extension Ordinance states that Senior Mini-Grant funds shall be used for innovative and cost-effective specialized transportation services for older adults (age 60 and older) including, but not limited to, shared group services, special shuttle services using volunteers, and brokerage of multi-jurisdictional transportation services. The program requirements were developed with stakeholder input.
Chapter 2: Distribution Of Funds

2.1 Funding Sources

The San Diego Association of Governments (SANDAG) distributes both federal and local funds through the Specialized Transportation Grant Program. The former Job Access and Reverse Commute (JARC) and New Freedom programs and the current Section 5310 program are funded through the Federal Transit Administration (FTA). The TransNet Senior Mini-Grant program is funded through the TransNet half-cent sales tax for transportation in San Diego County. The following sections provide more information on these two funding sources.

Federal Funds

The FTA provides funds for the construction, operation, and maintenance of public transportation systems through several discretionary and formula grant programs. The former JARC and New Freedom programs and the Section 5310 program are formula grants. Funding apportionments for formula grants are based on certain pre-existing criteria. For the Section 5310 program, for example, funds are apportioned to large urbanized areas based on the ratio of the number of seniors and individuals with disabilities in that large urbanized area to the number of seniors and individuals with disabilities in all large urbanized areas across the United States. The designated recipients for the large, urbanized areas receive a fixed apportionment based on this formula. Designated recipients do not compete for funding; however, a competitive process is used to distribute formula funding at a local or regional level.

Funds for the Department of Transportation and its related agencies, including the FTA, are appropriated each year through legislation passed by Congress and signed into law by the President. Moving Ahead for Progress in the 21st Century (MAP-21) and the Fixing America’s Surface Transportation (FAST) Act are the surface transportation reauthorization bills, signed by President Obama on July 6, 2012, and December 4, 2015, respectively, that authorize funds for the Section 5310 program. Once appropriation legislation is enacted, the FTA publishes Section 5310 apportionments for each large, urbanized area in the Federal Register. The FTA also provides program guidance for each of its programs in the form of circulars.

Depending on availability of funds, SANDAG holds a competition biennially to distribute grant funds from up to two consecutive federal fiscal years. Per federal requirements, SANDAG then programs projects awarded funding into the Regional Transportation Improvement Program (RTIP) through amendments. Projects are later included in the Statewide Transportation Improvement Program (STIP), which is also required by the FTA. Once projects have been programmed into the RTIP and STIP, SANDAG files a grant application with the FTA for the amount of Section 5310 grant funds apportioned to the urbanized areas of the San Diego region, which is equal to the collective funding amount awarded to projects through the local competitive process plus the allowable funding for the administration of the Section 5310 program. SANDAG uses ten percent of total Section 5310 funding for program administration, planning, and technical assistance, including but not limited to, performance monitoring and reporting; development of eligibility and evaluation criteria; outreach to seniors, individuals with disabilities, and other members of the public through the Coordinated Planning process; release of competitive solicitation materials; subrecipient Title VI plan review and technical assistance; and technical assistance workshops for prospective and successful applicants.
Grant applications are filed through the Transit Award Management System (TrAMS). Once the FTA approves the SANDAG grant application, the grant funds are considered obligated, and SANDAG can execute grant agreements with its subrecipients.

The FTA requires that Section 5310 funds be obligated within the subsequent two federal fiscal years following the federal fiscal year of apportionment. Thus, for example, Section 5310 funds apportioned in Federal Fiscal Year (FFY) 2018 must be obligated by September 30, 2020, which is the last day in FFY 2020. Any Section 5310 funds remaining unobligated at the end of the period of availability will lapse.

**Local Funds**

Local funding for transportation projects is provided through the countywide half-cent sales tax TransNet, which has been in effect since 1988. In 2004, San Diego voters approved the TransNet Extension Ordinance, which extended TransNet for an additional forty years. The TransNet Extension Ordinance designates a portion of TransNet funds to support a competitive grant program for nonprofit organizations and local agencies providing specialized transportation to seniors. This grant program is known as the Senior Mini-Grant program. Like Section 5310 funds, TransNet Senior Mini-Grant funds from up to two fiscal years are competitively awarded on a biennial basis depending on the availability of funding. The Senior Mini-Grant competition is held jointly with the Section 5310 competition. TransNet funds are sales tax revenue from retail transactions within the County, which fluctuate based on spending patterns. Therefore, funding committed to the Senior Mini-Grant program is subject to fluctuations, which may impact funding availability among various competitive processes.

Projects awarded Senior Mini-Grant funding are programmed into the RTIP through amendments. As previously discussed, the ITOC provides oversight of projects funded through TransNet, which includes Senior Mini-Grant projects.

**2.2 Specialized Transportation Grant Programs Implementation**

SANDAG conducts a competitive selection process for projects seeking grant funds through the Section 5310 and Senior Mini-Grant programs. To ensure an open and transparent competitive process, SANDAG involves stakeholder input and public involvement through all phases of program implementation. The following sections provide more detailed information on each phase in the implementation of the Specialized Transportation Grant Program.

**Phase I: Development and Release of the Call for Projects**

A call for project requires input and preparation from staff in several SANDAG departments. As previously discussed, the amount of available Section 5310 funds is determined by referencing apportionments published in the Federal Register. To determine available Senior Mini-Grant funds, the project manager of the Specialized Transportation Grant Program consults with the TransNet Department. The TransNet Department calculates annual TransNet revenue estimates and projects the amount of funding available for the Senior Mini-Grant program. The project manager also coordinates with the Office of General Counsel, Contracts Division, and Finance Department to determine the competitive process timeline. Once a timeline is established, SANDAG staff attends multiple community meetings to notify the public of availability of funds and the upcoming call for projects.
Meanwhile the project manager prepares materials for the competitive process, including developing or updating the grant applications and eligibility and evaluation criteria. Eligibility and evaluation criteria have evolved over time based on program experience and input from members of Social Services Transportation Advisory Council (SSTAC) and other stakeholders.

All materials for the call for projects undergo a legal review by the SANDAG Office of General Counsel, and the eligibility and evaluation criteria are reviewed by the SSTAC and Transportation Committee. Eligibility and evaluation criteria for the Senior Mini-Grant program additionally are reviewed by the ITOC. Input from these groups is incorporated into the criteria prior to any action from the Board of Directors. The Transportation Committee then makes a recommendation to the Board of Directors for approval of the eligibility and evaluation criteria. The criteria are revised as needed when SANDAG staff discovers a deficiency or when directed to do so by the Transportation Committee or Board of Directors. The Board of Directors can approve the eligibility and evaluation criteria. Once the Board of Directors approves the eligibility and evaluation criteria, SANDAG staff releases the call for projects.

**Phase II: Award of Grant Funding**

There are several steps that lead to the eventual award of grant funding. The following sections break down the award process.

**Call for Projects and Grant Applicant Workshop**

After the project solicitation is released, SANDAG staff holds a Grant Applicant Workshop to review the materials for the call for projects, provide applicants with guidance in completing and submitting a project proposal, and answer applicants’ questions. Potential applicants and members of the public may also submit questions via phone or email to SANDAG staff prior to the application submittal deadline. For transparency and consistency, staff responds to questions and makes information available to the public by posting answers to “Frequently Asked Questions” on the SANDAG website.

Grant applications are due at least 90 days from the date the solicitation for proposals is released. Staff reviews applications to ensure project proposals meet minimum program requirements; address all application questions; and include all required materials, such as a scope of work, budget, and performance indicator worksheet (as applicable).

**Evaluation and Prioritization of Projects**

Once applications are submitted and reviewed for eligibility by staff, eligible project proposals are distributed to evaluation panels. An evaluation panel is formed for each grant program and is comprised of SSTAC members and staff from non-applicant agencies or organizations, such as state agencies, municipalities, and social services agencies. Members of the evaluation panel represent experts within the field of specialized transportation, social service providers, and other care providers for seniors and individuals with disabilities, and have a strong familiarity with the grant program objectives and requirements. Evaluation panel members are provided with SANDAG Evaluator Guidelines and are required to complete a declaration to ensure they do not have a conflict of interest. The SANDAG Evaluator Guidelines and Declaration Concerning Conflicts form are available as grantee resources at sandag.org/stgp. The evaluation panels convene within a month after the application submittal deadline to discuss their review of the applications and rank projects.
Project rankings are determined using a “Sum of Ranks” approach. Projects receive scores from each evaluator on the evaluation panel based on the evaluation criteria. Project scores are translated into project rankings for each evaluator. For example, the project awarded the most points from a single evaluator ranks number one; the project awarded the second most points ranks number two; and so on (with one being the best rank a project can receive). The rankings from each of the evaluators are then summed for each project and ranked to produce an overall project ranking (sum of ranks). Therefore, projects with the lowest overall numerical rank perform the best.

Prior to finalizing the list of overall project rankings, SANDAG staff calculates and applies a performance-based adjustment for applicants that have been awarded specialized transportation grant funds from SANDAG in the past three years. For applicable applicants, the applicant’s performance in operating and managing the most recent 12-month period of its grant(s) is used to determine if an upward or downward adjustment, or no adjustment, is applied to the total score given by each evaluator for each project submitted by the applicant. SANDAG staff uses the Monitoring Checklist (included in the appendix and described in more detail in Chapter 5, Section 5.2) to determine an adjustment ranging from a negative ten percent to a positive two percent. The positive or negative performance adjustment, or lack thereof, to project scores may affect the project ranking for each evaluator and, therefore, the overall project ranking.

The list of overall project rankings (once performance-based adjustments are applied) is used to recommend funding allocations in order of rank. The top-ranking projects (or the projects with the lowest overall numerical rank) are recommended for funding in descending rank until funding is exhausted.

For the Section 5310 program, SANDAG must ensure that at least 55 percent of available funds are awarded to Traditional Section 5310 projects. (The distinction between Traditional and Non-traditional Section 5310 projects is discussed in Chapter 3, Section 3.1.) A ranked list of Traditional and Non-traditional Section 5310 projects is made based on the scoring and evaluation of applications. When allocating funds, staff ensures that at least 55 percent of the Section 5310 apportionment is awarded to the highest-ranking traditional projects. Then the remaining 35 percent of the Section 5310 apportionment (not including the 10 percent of the funding used for program administration) is awarded to the highest-ranking of all remaining (Traditional and Non-traditional) projects based on project ranking.

Following the evaluation panel meetings, evaluation materials undergo a peer-review process by SANDAG staff independent of the Specialized Transportation Grant Program to ensure accuracy of reporting. Additionally, SANDAG staff conduct a social equity analysis to determine whether the funding recommendations would result in an equitable allocation of funding expenditures and services for low income and minority areas of the County as compared to non-low income and non-minority areas. Upon completion of the social equity analysis and quality control assurance, the panel’s recommendations for Senior Mini-Grant funding are brought to the ITOC to confirm project eligibility; and recommendations for both Section 5310 and Senior Mini-Grant funding are brought to the Transportation Committee as an information item and then for recommendation to the Board of Directors for final approval. Staff sends a notice of intent to award to all grant applicants with the publications of the ITOC and Transportation Committee staff reports.

**Award of Funding and Programming of Projects**

The Board of Directors reviews the evaluation panels’ funding recommendations and has the final authority to approve a prioritized list of projects for grant funding. Once the Board of Directors awards grant funding, the funded projects must be programmed into the RTIP via an amendment. All RTIP amendments must be approved by the Board of Directors. Upon approval of the RTIP amendment, Grants Division staff works with the Finance
Department to submit a Section 5310 grant application to the FTA to obligate funds for the selected Section 5310 projects which is also referred to as a program of projects. In total, the process is expected to take about nine to eleven months from the time the call for projects is issued until federal funding is obligated by the FTA. TransNet funds awarded to Senior Mini-Grant projects are available once the RTIP amendment is approved.

**Successful Applicant Workshop**

After the award of funding, SANDAG hosts a Successful Applicant Workshop for those applicants whose project proposals received funding awards. The workshop is designed to review Section 5310 and Senior Mini-Grant program requirements, contractual obligations, and SANDAG grant implementation procedures. At the workshop, SANDAG provides a comprehensive overview of the following topics including, but not limited to, invoicing, indirect cost allocation plans, vehicle procurement, Title VI compliance, performance monitoring, and federal and local reporting requirements.

In grant applications, applicants are evaluated on their technical capacity. Technical capacity is defined as having the present ability or ability to develop staffing, knowledge, financial systems, internal processes, and project management capacity to successfully implement the project and comply with all applicable local, state, and federal requirements. The Successful Applicant Workshop provides successful applicants with the opportunity to enhance their technical capacity. The workshop acts as training for successful applicants – providing them with the knowledge and tools to ensure successful implementation of their grant-funded projects and compliance with program requirements.

**Phase III: Implementation**

Once the FTA approves the grant obligating Section 5310 funds, SANDAG executes grant agreements with each Section 5310 subrecipient. Execution of grant agreements for Senior Mini-Grant awards can occur immediately after approval of the RTIP amendment.

SANDAG provides a one-year window for the execution of grant agreements through either grant program. This one-year window provides flexibility for returning grantees and ensures the timely use of awarded funds. For successful applicants awarded funds for the continuation of a current grant-funded project, SANDAG will execute the new grant agreement once the current grant agreement has expired if the expiration occurs during the one-year window. The one-year window ensures that returning grantees have the opportunity for continuous project funding. If returning grantees have funding secured through current grant agreements for longer than the one-year window, they can only apply for the second year of funding through an area-wide, competitive selection process. Therefore, the one-year window ensures that funding awards are obligated through grant agreements in a timely manner.

The one-year window aligns with the federal fiscal calendar for Section 5310 grant awards and with the SANDAG fiscal calendar for Senior Mini-Grant awards. The federal fiscal year begins on October 1 and ends on September 30, whereas the SANDAG fiscal year begins on July 1 and ends June 30. Grant agreements must be executed within the one-year window as determined by the type of funding (federal v. TransNet) as well as the year(s) of funding awarded (funding beginning in Year 1 or beginning in Year 2). Table 2.1 shows the anticipated one-year windows for the Section 5310 and Senior Mini-Grant funding to be awarded through the Cycle 11 competitive process.
Table 2.1: Anticipated Grant Agreement Execution Windows for Funds Awarded Through Cycle 11

<table>
<thead>
<tr>
<th>Grant Program</th>
<th>Available Federal Funds (Year of Funding)</th>
<th>Grant Agreement Execution Window</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>FFY 2019 Award (Y1 only) or FFY 2019-FFY 2020 Award (Y1-Y2)</td>
</tr>
<tr>
<td>Section 5310</td>
<td>FFY 2019 (Y1) FFY 2020 (Y2)</td>
<td>October 1, 2021 - September 30, 2022</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Grant Program</th>
<th>Available TransNet Funds (Year of Funding)</th>
<th>Grant Agreement Execution Window</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>FY 2020 Award (Y1 only) or FY 2020-FY 2021 Award (Y1-Y2)</td>
</tr>
<tr>
<td>Senior Mini-Grant</td>
<td>FY 2022 (Y1) FY 2023 (Y2)</td>
<td>July 1, 2021 - June 30, 2022</td>
</tr>
</tbody>
</table>

Prior to grant agreement execution, SANDAG coordinates with successful applicants to confirm the project scope of work, budget, and timeline, which were submitted in the final application. Once the grant agreement has been signed by both the grantee and SANDAG, the grant agreement is considered executed, and SANDAG provides the grantee with a Notice to Proceed. At this point, the grantee may begin work on the project. Grant agreement templates for the Section 5310 and Senior Mini-Grant Programs are included as appendices.

The Federal Funding Accountability and Transparency Act of 2006 (FFATA) requires all direct recipients of FTA grants (who have been awarded over $25,000 awarded on or after October 1, 2010) to report subaward information to the FFATA Subaward Reporting System (FSRS). SANDAG is subject to FFATA and must report subrecipient information and award amounts in FSRS by the end of the month after the month in which Section 5310 grant agreements have been executed.

**Phase IV: Monitoring and Reporting**

SANDAG has developed a standardized monitoring program for the Specialized Transportation Grant Program. SANDAG tracks individual grant project performance using data provided by the grantee through progress reports submitted with monthly or quarterly invoices. Performance is measured by comparing actual project deliverables and cost-efficiency rates against the deliverables and cost-efficiency rates proposed in the project application. Deliverables and cost-efficiency rates differ among projects due to differences in project parameters. For example, a project with a predominately rural service area tends to have a higher cost per trip than a project with a predominately urban service area. Rural-based programs typically provide longer trips than do urban-based programs to access amenities. Because of differences among projects, SANDAG does not evaluate performance across projects. Rather, SANDAG evaluates individual grantees on their ability to meet the goals proposed in their original applications.

SANDAG staff reports on the performance of all specialized transportation grant projects to the Transportation Committee on a quarterly basis and to the SSTAC biannually. Additionally, SANDAG staff reports exclusively
on the performance of Senior Mini-Grant projects to the ITOC on a quarterly basis. These performance reports, known as grant status updates, alert the Transportation Committee of grants at risk of non-performance. Grant status updates are discussed in greater detail in Chapter 5, Section 5.1.

SANDAG also monitors grantee compliance with all federal, state, and local requirements. Both performance and grant compliance are monitored using the Monitoring Checklist, included in the appendix, which is filled out and completed at regular site visits or desk reviews. Specific program requirements, performance measures, and SANDAG monitoring and reporting procedures will be discussed in greater detail in Chapter 5.
Chapter 3: Funding Eligibility, Evaluation Criteria, and Program Requirements

3.1 Funding Eligibility

The Section 5310 and Senior Mini-Grant programs have different funding eligibility criteria, which includes criteria on the use of program funds, applying organizations, and types of projects. The following sections discuss these eligibility criteria and distinguish between Section 5310 and Senior Mini-Grant program-specific criteria. Since SANDAG continues to monitor projects funded under the former Job Access and Reverse Commute (JARC) and New Freedom programs, JARC and New Freedom eligibility criteria that require continued monitoring are also discussed.

Geographical Boundaries

The Section 5310 and Senior Mini-Grant programs have differing geographical boundaries for project eligibility. As previously stated, Section 5310 funds under the Fixing America’s Surface Transportation (FAST) Act are apportioned to the large urbanized areas. Therefore, only those projects within the urbanized areas of San Diego County are eligible to receive Section 5310 funds through SANDAG. Figure 1.1 (in Chapter 1) provides a map of the urbanized areas of San Diego County as defined by United States Census Bureau, Census 2010. For projects that serve individuals outside of the urbanized areas of San Diego County, applicants may submit an application to Caltrans for the statewide competition for rural Section 5310 funds.

The Senior Mini-Grant program funds specialized transportation projects within San Diego County. For operating projects under either program, eligibility based on geographical boundaries relates to the areas where the population being served lives – sometimes referred to as the project’s service area – rather than to destination locations. Therefore, ride origins must be within the designated geographic boundary, but destinations may extend beyond.

Eligible Use of Program Funds

For all grant programs, funds are intended to fund specialized, innovative, flexible, and cost-effective programs that support the transportation needs of the target population as identified by the specific programs, and summarized below:

- **Section 5310** – seniors (age 65 years or older) and individuals with disabilities
- **Senior Mini-Grant** – seniors (age 60 or older)
- **JARC (former program)** – persons of limited means and reverse commuters
- **New Freedom (former program)** – individuals with disabilities

To preserve the intentions of these programs in addressing the transportation needs of the specified populations outlined above, SANDAG established a Needs Accommodation Policy. This policy affords the opportunity for coordination among transportation providers that may result in the reduction of transportation
service duplication and allows passengers on services funded through these grants the option of traveling with companions. The Needs Accommodation Policy was adopted by the Transportation Committee on April 2, 2010, for the Senior Mini-Grant program and on September 2, 2011, for the JARC and New Freedom programs. The Needs Accommodation Policy additionally was included in the eligibility criteria for the Section 5310 program, which was approved by the Board of Directors on July 25, 2014.

Under the Needs Accommodation Policy, three requirements must be met for projects to be funded through these programs:

1. The program is specifically designed to meet the special needs of the target population
2. The target population accounts for at least 80 percent of total ridership
3. Trip priority is given to the target population

For passengers that require Personal Care Attendants (PCA), the PCA will count as neither a target population trip nor a non-target population trip if at least 80 percent of total ridership is accounted for by the target population.

Grant funds are eligible to be used towards the net cost of a project. Net project cost is defined as part of a project that reasonably cannot be financed from revenues generated through the project. The following definitions apply to calculations of net project cost.

**Project Expense** is an expense associated with an organization’s daily operations, which includes the costs necessary to operate, maintain, and manage a transportation project. Project expenses may include wages, office supplies, mileage reimbursement, etc.

**Project Revenue** is income that an organization receives from operating a transportation project. Project revenues may include registration fees; other user fees; or fare, including ride-based donations.

The net project cost is calculated by subtracting project revenue from project expenses. Each grant program has a matching funds requirement, which is described in more detail in the Matching Funds Requirement section below. Revenue cannot be used as matching funds for operating and mobility management projects.

### Coordinated Plan Requirement

MAP-21 and the FAST Act require that projects funded through the Section 5310 program be included in the Coordinated Plan to be eligible for funding. MAP-21 and the FAST Act require that the Coordinated Plan identify the transportation needs of individuals with disabilities, older adults, and people with low incomes; provide the strategies for meeting those local needs; and prioritize transportation services for funding and implementation.

On September 19, 2008, the Transportation Committee adopted a minimum eligibility requirement that all projects selected for funding under the JARC program must be derived from either the Very-High or High Priority Strategies found in the project funding prioritization lists in the Coordinated Plan. Subsequently, this minimum eligibility requirement was also applied to the Senior Mini-Grant, New Freedom, and Section 5310 programs.
Eligible Projects and Applicants

For both the Section 5310 and Senior Mini-Grant programs, operating, capital, and mobility management funds are available. The types of projects eligible for funding under each of these grants differ. Under MAP-21 and the FAST Act, there are two different categories of eligible projects for the Section 5310 program: Traditional and Non-traditional. Eligible applicants for Section 5310 funds vary depending on whether the type of project proposed is Traditional or Non-traditional. The following sections and Table 3.1 outline eligible projects and eligible applicants under each of the Section 5310 project categories and under the Senior Mini-Grant program.

Traditional Section 5310 Projects

The FTA defines Traditional Section 5310 projects as “those public transportation capital projects planned, designed, and carried out to meet the specific needs of seniors and individuals with disabilities when public transportation is insufficient, unavailable, or inappropriate.” The FTA requires that at least 55 percent of available Section 5310 funds are used towards Traditional Section 5310 projects.

Examples of projects eligible as Traditional Section 5310 projects include, but are not limited to:

- Vehicle procurement
- Passenger facilities
- Support equipment
- Mobility management and coordination programs
- Contract transportation services

Applicants that may apply for funding for Traditional Section 5310 projects include:

- Private nonprofit organizations,
- State or local governmental authorities that:
  1. Are approved by a state to coordinate services for seniors and individuals with disabilities; or
  2. Certify that there are no nonprofit organizations readily available in the area to provide the service.

State or local government authorities whose projects may be considered eligible as a Traditional project must meet at least one of the two requirements listed above to be considered an eligible applicant under the Traditional project category. Governmental authorities eligible to apply for funds as “coordinators of services for seniors and individuals with disabilities” (number 1 above) are those designated by the state to coordinate human service activities in a particular area. Examples of these governmental authorities are a county agency on aging or a public transit provider which the state has identified as the lead agency to coordinate transportation services funded by multiple federal or state human service programs.

All other state or local government authorities must certify that there are no nonprofit organizations readily available in the project area to provide the service (number 2 above). To satisfy this requirement, state or local government authorities must do the following: hold a public meeting; provide sufficient notice of such public hearing (at least 30 days prior to the date of the public hearing); provide private, nonprofit transportation providers with individual notice of the public hearing; and pass a resolution certifying that there are no private, nonprofit organizations readily available to provide the service.
Non-Traditional Section 5310 Projects

Non-traditional Section 5310 projects are those projects, once eligible under the former New Freedom program, that exceed the ADA minimum requirements, improve access to fixed route service and decrease reliance by individuals with disabilities on ADA complementary paratransit service, or provide alternatives to public transportation that assist seniors and individuals with disabilities with transportation. The FTA mandates that no more than 45 percent of available Section 5310 funds may be used for non-traditional Section 5310 projects.

Examples of projects eligible as Non-traditional Section 5310 projects include, but are not limited to:

- Promoting the use of transit vouchers
- Supporting volunteer driver and aide programs
- Ride-sharing and vanpooling programs

Applicants that may apply for funding for Non-traditional Section 5310 projects include:

- Private nonprofit organizations
- State or local governmental authorities
- Operators of public transportation

Projects that may be considered Traditional Section 5310 projects, but that are proposed by non-traditional project applicants are eligible for funding under the Non-traditional Section 5310 project category. For example, if a state or local governmental authority does not meet the requirements to be eligible as a Traditional project applicant and applies for funding for vehicle procurement, the vehicle procurement project is eligible for funding under the Non-traditional Section 5310 project category.

Senior Mini-Grant Projects

The Senior Mini-Grant program funds specialized transportation services for seniors.

Examples of eligible projects include:

- Senior shuttles
- Travel training programs
- Taxi voucher programs
- Volunteer driver programs
- Brokerage of multi-jurisdictional transportation services
- Capital projects, such as purchasing vehicles

Applicants that may apply for Senior Mini-Grant funding include:

- Local government agencies
- Private and public transportation operators
- Tribal governments
- Nonprofit organizations
- Social service agencies
- Consolidated Transportation Services Agency (CTSA)
<table>
<thead>
<tr>
<th>Eligible Geography</th>
<th>Senior Mini-Grant</th>
<th>Section 5310</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within San Diego County</td>
<td>Within the urbanized areas of San Diego County (as defined by the 2010 Census)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Eligible Applicants</th>
<th>Senior Mini-Grant</th>
<th>Section 5310</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Local government agencies</td>
<td></td>
<td>Traditional Section 5310</td>
</tr>
<tr>
<td>• Private and public operators of public transportation</td>
<td></td>
<td>• Private nonprofit organizations</td>
</tr>
<tr>
<td>• Nonprofit organizations</td>
<td></td>
<td>• State or local governmental authorities that:</td>
</tr>
<tr>
<td>• Tribal governments</td>
<td></td>
<td>o Are approved by a state to coordinate services for seniors and individuals with disabilities</td>
</tr>
<tr>
<td>• Social service agencies</td>
<td></td>
<td>o Certify that there are no nonprofit organizations readily available in the area to provide the service</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Types</th>
<th>Senior Mini-Grant</th>
<th>Section 5310</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Operating (OP)</td>
<td>Operating (OP)</td>
<td></td>
</tr>
<tr>
<td>• Mobility Management (MM)</td>
<td>Mobility Management (MM)</td>
<td></td>
</tr>
<tr>
<td>• Capital (CAP)</td>
<td>Capital (CAP)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Eligible Projects</th>
<th>Senior Mini-Grant</th>
<th>Section 5310</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Senior shuttles</td>
<td></td>
<td>Traditional Section 5310</td>
</tr>
<tr>
<td>• Travel training programs</td>
<td></td>
<td>• Vehicle procurement</td>
</tr>
<tr>
<td>• Volunteer driver programs</td>
<td></td>
<td>• Support equipment (e.g. computer hardware and software, transit-related intelligent transportation systems, and dispatch systems)</td>
</tr>
<tr>
<td>• Non-emergency medical transportation</td>
<td></td>
<td>• Contract transportation services</td>
</tr>
<tr>
<td>• Mobility management</td>
<td></td>
<td>• Mobility management and coordination programs</td>
</tr>
<tr>
<td>• The brokerage of multi-jurisdictional transportation services</td>
<td></td>
<td>Non-Traditional Section 5310</td>
</tr>
<tr>
<td>• Capital projects, such as vehicle purchase</td>
<td></td>
<td>• Volunteer driver programs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Shuttle, ridesharing and vanpooling programs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Non-emergency medical transportation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Transit travel training</td>
</tr>
</tbody>
</table>
Ineligible Expenses

Under the Section 5310 program, subsidized transit fares – including monthly passes, single fares, or multi-trip tickets – are not an eligible expense. Additionally, SANDAG does not reimburse grantees for direct vehicle operating costs, such as fuel, tires, oil, car insurance, or car repairs. Instead, the reimbursement for vehicle operations is done on a per-mile basis at a rate up to the current Internal Revenue Service mileage reimbursement rate. As previously stated, grant funds through both programs are eligible to be used towards the net project cost. Grantees are encouraged to apply project revenues towards operating expenses; however, these project revenues must be subtracted from project expenses when invoicing for reimbursement through SANDAG.

Equitable Distribution of Project Benefits

To have projects eligible for funding, an applicant must demonstrate through its civil rights assurances that it has adequate methods to ensure the benefits of the proposed project(s) are distributed equitably among low-income and minority (LIM) and non-LIM population groups in its service area. Applicants are asked to identify the service area and population to be served by the project(s), which includes providing pertinent demographic data and a map of their service area.

Grant Request Minimum/Maximum Amounts

Initially, SANDAG did not set grant minimum or maximum amounts for any specialized transportation grants resulting in a wide range of grant funding amounts. On April 2, 2010, the Transportation Committee approved setting the Senior Mini-Grant minimum grant request amount at $30,000 per year to ensure SANDAG administrative costs for the program are reasonable, and the maximum grant request amount at $200,000 per year to ensure that the limited funds are distributed to a variety of projects. These grant minimum and maximum amounts were applied to the former JARC and New Freedom programs on September 2, 2011, through an approval by the Transportation Committee.

On July 18, 2014, and July 25, 2014, the Transportation Committee and Board of Directors, respectively, approved to maintain the grant request limits per project ($30,000 to $200,000 per year) and additionally limit applicants to requesting no more than $500,000 per year per grant program through the competitive process. This modification accompanied a reformatting of the application to allow applicants to submit multiple projects in the same application. Applicants are limited to submitting one application per grant program.

On July 17, 2020, the Transportation Committee recommended and on July 24, 2020, the Board of Directors approved increasing the maximum grant request per project to $250,000 per year per grant program and the maximum grant request per applicant to $600,000 per year per grant program.

Matching Funds Requirement

All specialized transportation grants require a local match. The match requirement differs between the federal grant programs (former JARC and New Freedom programs and the Section 5310 program) and the Senior Mini-Grant program. Further, the match requirement differs among the types of projects: operating, capital, and mobility management.
Federal Grant Programs Match Requirement

Operating projects funded through the former JARC and New Freedom programs and the Section 5310 program require a match amount equal to at least 50 percent (50%) of the net project cost. In other words, federal funds through these programs can be used to support no more than 50 percent (50% grant / 50% match) of the net project costs for operating projects.

Capital and mobility management projects funded through federal grant programs require a match amount equal to at least 20 percent of the net project cost. Federal funds through these programs can be used to support no more than 80 percent (80% grant / 20% match) of the net project cost for capital or mobility management projects. Table 3.2 summarizes the matching requirements for federally funded projects.

Table 3.2: Federal Matching Funds Requirement

<table>
<thead>
<tr>
<th>Grant Program</th>
<th>Fund Type</th>
<th>Percent of Net Project Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>JARC, New Freedom, or Section 5310</td>
<td>Operating</td>
<td>Up to 50</td>
</tr>
<tr>
<td></td>
<td>Capital or Mobility Management</td>
<td>Up to 80</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Local Match</td>
</tr>
<tr>
<td></td>
<td></td>
<td>50 or more</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20 or more</td>
</tr>
</tbody>
</table>

For capital projects involving the purchase of vehicles, federal funds can be used to support 85 percent (85% grant / 15% match) of the net vehicle cost if the vehicle will comply with the requirements in 49 CFR Part 38.

The federal share is 90 percent (90% grant / 10% match) for project costs for acquiring vehicle-related equipment or facilities that are on and attached to a vehicle, including clean fuel or alternative fuel vehicle-related equipment or facilities, for purposes of complying or maintaining compliance with 42 USC 7401 et seq. or required by the Americans with Disabilities Act.

Fare revenue or user fees generated by the service to be supported by these federal grant funds may not be used as matching funds for operating or mobility management projects. Additionally, other Department of Transportation (DOT) funds may not be used as matching funds for any project supported through these federal grant programs.

Eligible match sources for projects funded through the former JARC and New Freedom programs or the Section 5310 program include the following:

- State or local appropriations
- Other non-DOT federal funds that are eligible to be expended for transportation
- TransNet Senior Mini-Grant funds
- Private donations
- Revenues from service contracts
- Net income generated from advertising and concessions
- Donations, volunteered services, or other in-kind contributions
- Income from contracts to provide human service transportation
For clarification, income from contracts to provide human service transportation may be used either as revenues (which reduces the net project cost) or as match funds for operating projects. In either case, the cost of providing the contract service is included in the total project cost. All match sources must be identified and described in the project proposal.

**Senior Mini-Grant Program Match Requirement**

Operating projects funded through the TransNet Senior Mini-Grant program require a match amount equal to at least 20 percent of the net project cost. TransNet funds can support up to 80 percent (80% grant/20% match) of net project costs for operating and mobility management projects.

Capital projects funded through the TransNet Senior Mini-Grant program require a match amount equal to at least 80 percent of the net project cost. TransNet funds can support up to 20 percent (20% grant/80% match) of net project costs for capital projects. Table 3.3 summarizes the matching requirements for Senior Mini-Grant projects.

**Table 3.3: TransNet Senior Mini-Grant Matching Funds Requirement**

<table>
<thead>
<tr>
<th>Grant Program</th>
<th>Fund Type</th>
<th>Percent of Net Project Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Mini-Grant</td>
<td>Operating or Mobility Management</td>
<td>Up to 80</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20 or more</td>
</tr>
<tr>
<td></td>
<td>Capital</td>
<td>Up to 80</td>
</tr>
<tr>
<td></td>
<td></td>
<td>80 or more</td>
</tr>
</tbody>
</table>

Again, fare revenue or user fees generated by the service to be supported by TransNet Senior Mini-Grant funds may not be used as matching funds for operating projects. Any source of funding other than TransNet revenues may be used as match for Senior Mini-Grant projects. This includes revenues from human services contracts and federal funding through the Section 5310 program. All match sources must be identified and described in the project proposal.

**Indirect Costs**

Indirect costs are costs incurred for common or joint objectives that cannot be readily assigned to a specific grant, contract, or other activity. An indirect cost rate is a mechanism to fairly and conveniently determine what proportion of indirect costs a specific grant, contract, or activity should bear. An indirect cost rate is the ratio between the total indirect expenses and some direct cost base. The indirect cost allocation methods used by each organization depend on its own structure, program functions, and accounting system.

Section 5310 subrecipients may receive reimbursement for indirect costs if their organization has a federally approved indirect cost rate. Federal requirements for the determination of allowable and unallowable direct and indirect costs are established in 2 CFR Part 200. Grantees that have never received a federally approved indirect cost rate may choose to use the ten percent (10%) de minimis rate of modified total direct costs. Costs, either direct or indirect, under the de minimis rate must be consistently charged and never double charged.

Applicants intending to use an indirect rate for either Section 5310 or Senior Mini-Grant grant funds must notify SANDAG in its application for funding and at SANDAG’s request provide documentation satisfying SANDAG’s fiscal oversight requirements.
Vehicle Costs

SANDAG uses the California Association for Coordinated Transportation (CalACT)/Morongo Basin Transit Authority (MBTA) Vehicle Purchasing Cooperative (Cooperative) to procure new vehicles. Applicants may apply for funding to procure vehicles that are available through the Cooperative and are encouraged to research these vehicles online at CalACT's website to determine the most current and appropriate vehicle model(s) and specifications for their transportation program. Chapter 4 discusses vehicle procurement procedures in greater detail.

Vehicle costs vary based on the vehicle type and specifications, the vendor, taxes and fees, the availability of vehicle models and options, and the timing of the procurement. For this reason, SANDAG developed a vehicle budgeting tool based on specifications and price information from the CalACT/MBTA Vehicle Purchasing Schedule. SANDAG requires organizations applying for vehicle projects to use the vehicle budgeting tool, which is made available on SANDAG’s website during an open application window. The vehicle budgeting tool allows applicants to identify vehicle specifications, compare prices of vehicle types and options, and select vehicle type and vendor based on a best-value analysis. The vehicle budgeting tool is based on the most recent specifications and prices available through the CalACT/MBTA Purchasing Cooperative. Actual vehicle offerings and costs may vary due to changes in the CalACT/MBTA Purchasing Cooperative.

Through the Section 5310 program, no more than 80 percent of the total cost of a vehicle is funded through the grant award and no less than 20 percent is funded through local matching funds unless the vehicle qualifies for a lower match amount as noted above and is available through the CalACT/MBTA Purchasing Cooperative. The vehicle budgeting tool SANDAG developed calculates an estimate of the total vehicle cost based on the vehicle specifications chosen and appropriate taxes and fees. It also calculates 80 percent of the total estimated cost, which applicants should use as the grant request amount in the project budget included in the application. If awarded grant funds, applicants are required to provide a cash match equal to the difference between the actual vehicle cost and the grant award amount.

The vehicle budgeting tool seeks to minimize the variance between the total vehicle costs in the grantee’s application and the vendor quote. Before grant agreements are executed, successful applicants and SANDAG will work with vehicle vendors under the Cooperative to ensure the vehicle purchased conforms to the specifications listed in the vehicle budgeting tool the grantee submitted at time of application. SANDAG also will verify the costs included in the final vendor quote conform to the prices listed in the CalACT Purchasing Schedule and that taxes and fees have been applied appropriately. If there are discrepancies between the quote and the CalACT Purchasing Schedule or vehicle budgeting tool, SANDAG will work with vehicle vendors and grantees, if necessary, to resolve them. Once the vendor quote has been verified by SANDAG as accurate, SANDAG will proceed with procuring the vehicle(s) and work with the grantee to obtain the cash match.

If the actual cost of the vehicle is less than the total cost listed in the application budget, the grant award will be reduced such that grant funding covers only 80 percent of the actual vehicle cost consistent with program requirements, unless the vehicle qualifies for a higher grant percentage as noted above. The grantee will be responsible for the remaining cost (20 percent). If the actual cost of the vehicle is higher than the total cost listed in the application budget, the grantee will be responsible for the difference between the actual total cost and the grant award.
Subrecipient/Recipient Resolution

Per SANDAG Board Policy No. 035, applicants submitting project proposal(s) for Section 5310 or Senior Mini-Grant funds are required to submit a resolution from the applicant’s governing body that: (1) commits to providing the amount of matching funds set forth in the grant application and (2) authorizes applicant staff to accept the grant funding and execute a grant agreement if an award is made by SANDAG. Applicants must submit a resolution two weeks prior to the review of proposed projects and funding recommendations by the Transportation Committee. Failure to provide a resolution that meets the requirements in Board Policy No. 035 results in rejection of the application and the application will be dropped from consideration with funding going to the next project as scored by the evaluation panel.

3.2 Evaluation Criteria

The evaluation criteria used by the evaluation panels to score and rank project proposals under the Specialized Transportation Grant Program have changed over time based on regional needs and priorities, input from stakeholders, and evolution of program administration over many cycles. The criteria have been developed and revised using ad hoc working groups composed of members of the Social Services Transportation Advisory Council and other stakeholders, along with public input. The criteria for the Senior Mini-Grant program are also reviewed by the Independent Taxpayer Oversight Committee; and the Transportation Committee recommends and Board of Directors approves the criteria for all programs so that the call for projects for each competitive cycle can be released. The criteria are revised as needed based on input from the SSTAC and other stakeholders, any deficiencies SANDAG staff discover, and direction from the Transportation Committee or Board of Directors.

The evaluation criteria have been standardized between the Section 5310 and Senior Mini-Grant programs. The Minimum Eligibility Criteria, Past Performance Adjustment, and Organization Application criteria from the most recent call for projects are included in the appendix. Additionally, there are evaluation criteria for each of the three project types: operating, capital, mobility management. Evaluation criteria categories and weighting are the same; however, specific questions are tailored to the project type. Criteria for each of the project types are included in the appendix. The following sections discuss the evaluation criteria for both the organization application and project proposals and distinguish differences in criteria among the project types as appropriate.

Project Readiness and Technical Capacity

The project readiness and technical capacity criterion assesses applicants’ readiness to begin delivering transportation services to the target population and their technical capacity to continuously provide transportation services with good grant management. For project readiness, applicants are evaluated on the extent to which they have an established client base; the appropriate and available resources, such as dispatching and scheduling software, and vehicles; sufficient staffing such as volunteer drivers and telephone operators; and materials, such as marketing fliers and in-take forms.

For technical capacity, applicants are evaluated on whether they have not only the requisite infrastructure to carry out the proposed project(s), but the expertise to adeptly meet the transportation needs of their proposed and/or existing clients. Requisite infrastructure includes fiscal management systems, sound business practices, and other resources or practices that enable successful grant management. Additionally, applicants are asked to describe the strategies they employ or would employ to overcome unique challenges in providing transportation services. Applicants should also demonstrate a commitment towards continuous improvement.
as evidenced by established or proposed policies, procedures, and/or strategies that build their own technical capacity to grow their program.

Coordination and Program Outreach

The program objectives of both the Section 5310 and Senior Mini-Grant programs include the requirement that projects exhibit elements of coordination. Thus, coordination is a key component of the evaluation criteria. Organizations are evaluated on the extent to which they demonstrate coordination. Examples of types of coordination include, but are not limited to:

- Shared use of vehicles
- Centralized dispatching or scheduling
- Coordinated vehicle maintenance
- Back-up transportation
- Joint staff or volunteer training programs
- Joint procurement of services and supplies
- Active participation in local social service transportation planning process
- Coordination of client trips with other transportation agencies

Organizations also are evaluated on their marketing strategies and program outreach. Applicants are asked to describe strategies for marketing their program and promoting public awareness of their transportation services in low income and minority areas as well as among limited English proficiency (LEP) populations. Additionally, applicants are asked to describe how their organization plans to keep key stakeholders involved and informed throughout the project. Applicants must submit one or more Letters of Coordination from other agencies. Letters of Coordination describe how the agency submitting the letter on the applicant’s behalf will coordinate with the applicant in the provision of transportation services. Since it is the role of the CTSA to coordinate specialized transportation services in the region, the CTSA is exempt from submitting Letters of Coordination. Similarly, the two transit operators in San Diego County, Metropolitan Transit System and North County Transit District, also are exempt from submitting letters.

Program Goal and Objectives

Applicants are evaluated on the extent to which their proposed project(s) meet(s) the STGP program goal and objectives, which were approved by the Board of Directors on July 27, 2018. The STGP program goal is to:

Improve mobility for seniors and individuals with disabilities throughout the region by removing barriers to transportation services, expanding transportation mobility options, and providing transportation services that meet the special needs of seniors and individuals with disabilities.

The STGP objectives are to:

- Fund projects that are derived from either the very-high priority or high priority strategies for addressing gaps in transportation service outlined in the Coordinated Plan
- Fund innovative and flexible programs that provide transportation services specifically designed to meet the special needs of seniors and individuals with disabilities in the San Diego region and that strive for
continual improvement as demonstrated by capacity building and increases in seniors and individuals with disabilities served

- Provide incentives for the coordination among specialized transportation providers to create efficiencies in service delivery, reduce duplication of services, and address any gaps in service for seniors and individuals with disabilities
- Encourage cost-efficient service provision through coordination, innovation, and the leveraging of matching funds

Operational/Implementation Plan

For any project type, applicants are required to provide a detailed description of the proposed project’s implementation plan. Applicants should include information on project tasks, timelines, benchmarks, key personnel, deliverables, and routes and schedules as applicable. For vehicle procurement (capital) projects, applicants should tailor responses to focus on the proposed service parameters of the vehicle(s) for which grant funds are being requested. Applicants should identify the type of service to be provided by grant-funded vehicles (such as fixed route or demand response) and describe their organization’s procedures for dispatching and scheduling trips, performing preventative and routine maintenance of vehicles, and providing driver training. Operating, capital, and mobility management projects alike are evaluated based on the thoroughness of the implementation plan, feasibility of the project deliverables and timeline, and consistency with the grant program’s goals and objectives.

In support of their responses, applicants are required to submit a scope of work and project schedule. Projects are evaluated on the thoroughness of the scope of work and project schedule in outlining all commitments made in the applicant’s responses in the project proposal. Additionally, projects are evaluated on the applicant’s ability to accomplish those commitments given its technical capacity during the grant period.

Cost Efficiency/Program Effectiveness

Cost efficiency is a key objective under both the Section 5310 and Senior Mini-Grant programs. One of the aims of these grant programs is to provide the most transportation services and service options as possible for seniors and individuals with disabilities. This goal is achieved by funding cost-effective solutions and leveraging matching funds. Thus, projects are evaluated on their cost efficiency.

Applicants must identify the proposed cost per unit of service to be provided by the project and provide contextual evidence or justification for the proposed cost per unit of service. The unit of service for most operating and mobility management projects is one-way passenger trips; however, units of service may differ depending on the type of project proposed. For capital projects, applicants should provide the proposed cost per unit of service to be provided through the operating of the grant-funded vehicle. Operating, capital, and mobility management projects alike are evaluated on the extent to which the cost per unit of service is reasonable given the type of service being provided. There are several attributes of given service parameters that affect the cost per unit of service. For example, average trip distance and passenger load can positively or negatively affect the cost of providing a trip. In their application responses, applicants should examine their project’s service parameters and evaluate their cost per unit of service delivered given their service parameters.

Applicants also should provide information on the costs per unit of service of comparable services locally or nationally to justify their own project’s cost per unit of service. SANDAG provides evaluators with an informational sheet to assist them in evaluating applicant’s responses to questions pertaining to cost efficiency. The informational sheet provides examples of service parameters that either increase or decrease...
cost per unit of service and lists the average cost per unit of service for various types of specialized transportation services within the region.

Applicants also are asked to describe the methodologies and procedures their organization will employ to monitor and evaluate the project and service delivery on an ongoing basis. Moreover, applicants should identify methods to achieve greater efficiencies over time and indicate steps the organization intends to take if the project's original goals are not achieved. Projects are evaluated on the extent to which the applicant demonstrates the technical capacity to achieve performance goals and successfully monitor performance indicators.

Operational Sustainability

Given uncertainty or fluctuations in the availability and amount of funding as well as the competitive process of distributing funds, applicants cannot rely on Section 5310 or Senior Mini-Grant funds to sustain their projects in future years. Applicants are asked to identify other sources of funding that their organization has pursued and describe any other efforts to raise and diversify funds in support of the project. For capital projects requesting funds for vehicle procurement, applicants should indicate the availability of operating funds. Applicants must ensure that operating funds have been secured and that their organization commits to operating the vehicle at a level no fewer than 20 service hours per week. Operating, capital, and mobility management projects alike are evaluated on the extent to which the applicant demonstrates a long-term commitment to the project to continue the effort beyond the availability of the requested grant resources. Additionally, projects are evaluated on the financial capability of the organization to sustain operations of the project after the initial grant funding is expended should it receive a grant award.

Applicants are required to submit a project budget and match source explanation with each project proposal. Match source explanations should identify the local source of funding and the amount of funding to be provided by the applicant as match. Eligible matching sources and required match amounts are described in more detail in the Matching Funds Requirement subsection in Chapter 3, Section 3.1 Funding Eligibility. Applicants should include additional information within their match source explanations to validate the availability of these matching funds to be used toward the proposed project. If applicants intend to use another grant as a source of matching funds, applicants must indicate the date the grant was awarded or is anticipated to be awarded. If applicants intend to use in-kind contributions as match, applicants must provide an explanation of the calculation used to determine the value of the in-kind match. Finally, if applicants intend to use personal fundraising or donations, applicants should explain strategies used to raise funds and/or secure letters of support from private donors. Projects are evaluated on the extent to which the applicant has secured matching funds for the proposed project and the stability of the source of that funding.

Innovation

Funds through both programs are intended to be used toward innovative transportation solutions. Applicants are asked to describe how the proposed project exhibits flexibility in responding to the special and changing transportation needs of the target population. Applicants should describe how these innovations could be applied to other services in the region. Additionally, applicants are asked to identify elements of the project that are environmentally sustainable (such as grouping trips and the use of alternative fuels or clean air vehicles).
Performance Indicators

SANDAG uses performance indicators to evaluate and monitor the effectiveness of the project including cost efficiency. Performance indicators vary based on project type. For operating projects, applicants are asked to complete a performance indicator worksheet. Projects are evaluated on the following three indicators: operating cost per vehicle service hour, operating cost per one-way passenger trip, and seat utilization. Projects are evaluated on a set of matrices based on current trends in the delivery of specialized transportation services.

For capital projects, applicants are asked to complete a performance indicator chart with information on the proposed transportation services to be provided by the requested vehicle(s). Each requested vehicle (which is considered one project) is evaluated on the proposed service hours per week and proposed seat utilization. Additionally, applicants are asked to describe methodologies and procedures for monitoring and evaluation of the project and steps to be taken if original goals are not achieved.

For mobility management projects, applicants are asked to identify performance indicators that their organization will use to both measure the effectiveness of the proposed project and evaluate the project in meeting identified goals. Performance indicators may include number of clients served, outreach efforts, information referrals, or other measurable units of service. Projects are evaluated on the performance indicators identified in applicant’s proposals. Additionally, applicants are asked to describe methodologies and procedures for monitoring and evaluating the project and steps to be taken if the original goals are not achieved.

3.3 Program Requirements

SANDAG has developed a robust set of program requirements that applies to both subrecipients of Section 5310 funds and recipients of Senior Mini-Grant funds (collectively referred to as grantees). Additionally, SANDAG passes through all federal requirements to Section 5310 subrecipients. The following sections describe the program requirements that all grantees must comply with per their grant agreement with SANDAG, and additionally distinguishes federal requirements applicable to only Section 5310 subrecipients.

Ethics

Grantees must comply with all provisions in the SANDAG grant agreement and are responsible for compliance of third-party contractors at any tier. Grantees must maintain a written code of conduct or standards of conduct that shall govern the actions of its officers, employees, board members, or agents engaged in the award or administration of third-party contracts supported with funds awarded by SANDAG.

SANDAG has established policies concerning potential conflicts of interest, which apply to its grantees. Grantees are prohibited from engaging in any practices that might result in unlawful activity including, but not limited to, rebates, kickbacks, or other unlawful consideration. SANDAG and its grantees are specifically prohibited from participating in the selection process for procurement when staff members have a close personal relationship, family relationship, or past (within the last 12 months), present, or potential business or employment relationship with a person or business entity seeking a contract. It is unlawful for any contract to be made by SANDAG or its grantees if one of their respective board members or staff has a prohibited financial interest in the contract. Further, SANDAG and its grantees’ officers, employees, board members, or agents cannot solicit or accept gratuities, favors, or anything of monetary value from any present or potential third-party contractor at any tier or agent thereof.
The grantee’s written code of conduct must include the above provisions and penalties, sanctions, or other disciplinary actions for violation of these provisions by its officers, employees, board members, agents, or third-party contractors at any tier. If grantees have any reason to believe a conflict of interest exists with regard to their grant agreement with SANDAG or their project, grantees are to notify the SANDAG Office of General Counsel immediately.

**Equal Employment Opportunity**

The Equal Employment Opportunity (EEO) provision requires that all grantees provide equal employment to all people, without regard to race, color, religion, sex, national origin, or any other class of persons protected by state or federal law. SANDAG requires that its grantees, including Section 5310 subrecipients and Senior Mini-Grant recipients, certify their compliance with the EEO federal requirements of Title VII of the Civil Rights Act of 1964, as amended, (42 United States Code [U.S.C.] 2000e and 49 U.S.C. 5332) and any implementing requirements the FTA or SANDAG may issue. This certification is required prior to contract execution.

SANDAG does not discriminate on the basis of race, color, sex, national origin, disability, or any other class protected by state or federal law in the award and performance of any third-party contract executed under the TransNet, Section 5310, JARC, or New Freedom programs.

**Non-Discrimination**

SANDAG includes non-discrimination provisions in the grant agreements with all grantees. These provisions are applicable to grantees awarded local (TransNet Senior Mini-Grant) and federal funds. The federal specialized transportation programs have additional program requirements regarding non-discrimination, which are described in more detail in the Federal Requirements subsection below. As with all provisions in the SANDAG grant agreement, grantees must include non-discrimination and compliance provisions in all contracts with third-party entities.

Grantees are prohibited from unlawfully discriminating, harassing, or allowing harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, disability (including HIV and AIDS), mental disability, medical condition, age (over 40 years), marital status, request for family and medical care leave, request for pregnancy disability leave, or any other class protected by state or federal law. Grantees are required to ensure that the evaluation and treatment of their employees and applicants for employment, and the employees and applicants for employment of any third-party contractor, are free from such discrimination and harassment. Grantees and third-party contractors must comply with the provisions of the Fair Employment and Housing Act (California Government Code section 12900 et seq.) and any associated regulations (California Code of Regulations, Title 2, Section 1000 et seq.). Grantees and its third-party contractors must provide written notice of their obligations under these provisions to labor organizations with which they have a collective bargaining or other agreement.

Because SANDAG receives federal funds, SANDAG must comply with federal requirements and regulations. Under its agreement with the FTA, SANDAG passes down applicable requirements to all grantees and third-party contractors regardless of funding source. Therefore, there are some federal requirements that are applicable to recipients of TransNet Senior Mini-Grant funds. All grantees are required to comply, and ensure compliance by third-party contractors, with Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.) and United States DOT regulations, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act, Title 49 Code of Federal Regulations (CFR.), Part 21. By complying with these provisions and regulations, no person, on the basis of
race, color, national origin, religion, sex, or age will be excluded from participation in or be denied the benefits of any project for which the grantee receives federal or local funding via SANDAG. Grantees are also prohibited from discriminating against low-income individuals pursuant to US DOT Order 5610.2, FTA Circular 4702.1B, and Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations. Grantees are responsible to ensure meaningful access to their transportation program by limited English proficient persons pursuant to Executive Order 13166.

All grantees are required to record Title VI investigations, complaints, and lawsuits per the Title VI requirements discussed above. Grantees must inform SANDAG of any active investigations, lawsuits, or complaints alleging the grantee discriminated on the basis of race, color, or national origin. Information should include the date, summary of allegations, current status, and actions taken by the grantee in response to the investigation, lawsuit, or complaint. Grantees must establish and implement procedures to ensure timely resolution of complaints, and sufficiently document steps taken to investigate and address complaints. Grantees must make these records available to SANDAG for inspection during audits. Grantees are required to notify SANDAG of Title VI-related complaints made by employees, volunteers, clients, or the general public against their transportation program within 72 hours of receiving the complaint so that SANDAG can determine whether it needs to carry out its own investigation.

Disability Accommodations

Grantees are subject to Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), and the ADA, as amended (42 U.S.C. 12101, et seq.), and the United States DOT regulations implementing these laws, which include 49 C.F.R. 27, 37, 38, and 39. Under these provisions, grantees are prohibited from discriminating against qualified individuals with disabilities in all programs, activities, and public services. These provisions impose additional requirements on public and private providers of public transportation and specify accessibility requirements for the design and construction of new transportation facilities and vehicles. Subrecipients of federal funds who are providers of demand-response services are required to use vehicles that are accessible to and usable by individuals with disabilities, including individuals using wheelchairs; or meet the applicable equivalent service standard. Additionally, all grantees are required to maintain service requirements that ensure that individuals with disabilities are provided equal opportunity to use transportation services.

Grantees are additionally subject to Titles I, II, III, IV, and V of the ADA, which include provisions in the areas of employment, public services, public accommodations, and telecommunications among other provisions. For example, grantees are required to hold public meetings at locations that are accessible to individuals with disabilities. All grantees are required to record ADA complaints and inform SANDAG of any active investigations, lawsuits, or complaints alleging the grantee discriminated on the basis of disability. Grantees must establish and implement procedures to ensure timely resolution of complaints, and sufficiently document steps taken to investigate and address complaints. Grantees must make these records available to SANDAG for inspection during audits. Grantees are required to notify SANDAG of ADA-related complaints made by employees, volunteers, clients, or the general public against their transportation program within 72 hours of receiving the complaint so that SANDAG can determine whether it needs to carry out its own investigation.

Insurance

Grantees must comply with insurance provisions included in the grant agreement. Grantees are required to procure and maintain during the project period, and for 12 months following completion of the project, policies of insurance from insurance companies authorized to do business in the State of California or the equivalent types and amounts of self-insurance. Per the SANDAG grant agreement, grantees are required to maintain general
liability insurance with a minimum combined single limit of $1,000,000 per occurrence and $2,000,000 general
aggregate for personal and bodily injury, including death, and broad form property damage. The general liability
policy must include an acceptable “Waiver of Transfer Rights of Recovery Against Others Endorsement” and name
SANDAG as an additional insured in the endorsement. A deductible or retention may be used, subject to approval
by SANDAG. Grantees are also required to maintain automobile liability insurance of an amount not less than
$1,000,000 for personal and bodily injury, including death, and property damage. Lastly, grantees are required
to maintain workers’ compensation and employer’s liability insurance. The policy must comply with the laws of
the State of California and include an acceptable “Waiver of Right to Recover from Others Endorsement” naming
SANDAG as an additional insured.

These policies shall be primary insurance as to SANDAG so that any other coverage held by SANDAG shall not
contribute to any loss under its grantees’ insurance. Each insurance policy shall contain a clause which provides
that the policy may not be canceled without first giving 30 days advance written notice to SANDAG. For
purposes of this notice requirement, any material change in the policy prior to its expiration shall be considered
a cancellation, and thus requires grantees to provide SANDAG 30 days advanced notice.

Grantees must provide satisfactory proof by one or more certificates of insurance (COIs) that it has the required
insurance as described above. SANDAG uses an online management system for collecting and managing
insurance certificates, as well as verifying grantees’ insurance coverage. Prior to grant execution, grantees will
receive notification from SANDAG’s insurance management vendor requesting proof of insurance. Grantees
are prohibited from starting the grant project until SANDAG’s insurance management vendor has confirmed
receipt of compliant insurance certificates. SANDAG will not provide payment prior to receipt of compliant
insurance certificates and will not reimburse for expenses incurred prior to the receipt of compliant insurance
certificates. As COIs must be updated annually, grantees must ensure that their insurance agent(s) comply with
requests for updated information from SANDAG’s insurance management vendor on no less than an annual
basis. Grantees also are responsible for ensuring that their insurance agent(s) send(s) SANDAG updated COIs
throughout the term of the grant agreement.

Third-Party Contracting

Grantees may choose to contract services under the grant agreement to a third-party entity. If possible,
applicants should identify in their project proposals any third-party entities with which they intend to
subcontract services performed under the grant project. Grantees are required to comply with SANDAG third-
party contracting provisions outlined in their grant agreements. Additionally, grantees receiving federal funds
(e.g., Section 5310 subrecipients) are required to comply with all federal procurement requirements and
regulations.

For procurement of services valued at $3,500 or less, grantees do not need to procure the services
competitively. Rather, grantees may select a vendor without soliciting multiple bids as long as the price of the
service is fair and reasonable. For procurement of service valued over $3,500 (but no more than $100,000) and
for which grantees did not identify a third-party contractor in their project proposals, the grantee is required
to select a vendor based on a competitive selection process. Grantees must hold an informal competitive
selection process in which they gather bids from a minimum of three qualified vendors. Grantees should provide
a scope of work to all bidders in order to obtain price, rate quotations, or best values.

For all third-party contracting, grantees should have a written agreement with third-party contractors to
perform the desired work; and notify SANDAG of the grantee-third-party contractor relationship. SANDAG
encourages grantees to include all SANDAG grant agreement provisions in their agreements with third-party
contractors. Regardless of the amount of project responsibilities that grantees delegate to third-party contractors, grantees—not third-party contractors—are ultimately responsible for compliance with all applicable laws, regulations, and provisions outlined in the SANDAG grant agreement. SANDAG will provide reimbursement for work performed by third-party contractors only after those expenses are incurred and paid for by the grantee.

**Scope of Performance**

Grantees may not begin work on the project until all required documents, such as certificates of insurance, have been collected by SANDAG, and the grant agreement is executed. Once the grant agreement is executed, SANDAG issues the grantee a Notice to Proceed, and the grantee may then begin work on the project. SANDAG will not reimburse grantees for expenses incurred prior to the issuance of the Notice to Proceed. Grantees are required to implement the project as described in the project scope of work, which is included in the grant agreement. Grantees are required to inform SANDAG of any changes to the scope of work during the grant period, including changes to the project service area. SANDAG will determine whether the project, given these changes, is still consistent with the overall objectives of the grant program under which the project is being funded (either the Section 5310 or TransNet Senior Mini-Grant program) and whether the change would have negatively affected the project ranking during the competitive process. SANDAG reserves the right to withhold or rescind grant funding due to substantive changes to the project.

SANDAG monitors grantees’ performance regularly, with the submittal of invoices and at scheduled site visits or desk reviews. SANDAG staff uses internal budget tracking procedures and the Monitoring Checklist, included in the appendix to monitor grantees’ performance. The Monitoring Checklist is used as a tool to assess grantee performance of its scope of work and compliance with provisions in the grant agreement. Grantees should review the Monitoring Checklist to ensure compliant performance in relation to the grant agreement.

Among the performance indicators tracked and monitored by SANDAG, cost efficiency plays a large role in assessing grant performance. The cost efficiency of a grant project is measured by comparing the actual cost per unit of service delivered to the proposed cost per unit of service as reflected in the scope of work. SANDAG has established initial (after six months of a two-year grant) and midpoint (after twelve months of a two-year grant) performance milestones. By the initial milestone, grantees are required to deliver an actual cost per unit of service at or below 130 percent of their proposed cost per unit of service as reflected on their scopes of work. If the project’s actual cost per unit of service delivered exceeds the 130 percent threshold at or any point after the initial milestone of the grant period, SANDAG will issue the grantee a written Notice to Complete a Recovery Plan. Recovery plans must include a detailed description of how the grantee intends to bring cost efficiency within 130 percent of the cost per unit of service reflected in the scope of work. Recovery plans must include an implementation schedule that reflects achievement of a cost per unit of service at or below the 130 percent threshold within six months after the Notice to Complete a Recovery Plan was issued. Grantees are required to submit recovery plans to the SANDAG project manager within 30 calendar days following the issue date of the Notice to Complete a Recovery Plan. If a grantee’s performance does not improve, SANDAG staff will update the Transportation Committee on the status of the grant project for its determination on continuing to fund the project. SANDAG may terminate the grant agreement at its discretion.

If grantees are non-compliant with provisions in the grant agreement (other than cost-efficiency provisions), grantees must submit a corrective action plan. At site visits or desk reviews, SANDAG and grantee project managers review any compliance deficiencies identified through completing the Monitoring Checklist, and discuss responses and solutions to these deficiencies. Grantees are required to submit a corrective action plan within ten (10) days of the site visit at which a deficiency or deficiencies were identified. Corrective action plans
must include the steps the grantee will take to correct each deficiency and comply with grant provisions. Grantees must implement the corrective action(s) within 30 days from the identification of the compliance deficiency. If a grantee does not take corrective action, SANDAG staff will update the Transportation Committee on the status of the grant project for its determination on continuing to fund the project. SANDAG may terminate the grant agreement at its discretion.

Grantees are required to record and track complaints made by clients or the general public against their transportation program. In particular, grantees are required to track complaints as they pertain to the following three categories: ADA, Title VI, and service quality. If the grantee receives an ADA or Title VI-related complaint, it must notify SANDAG of the complaint within 72 hours of receiving the complaint so that SANDAG can determine whether it needs to carry out its own investigation. Grantees are required to report the receipt of any complaint within a given reporting period on their progress report for that reporting period. Grantees must establish and implement procedures to resolve complaints in a timely manner and sufficiently document the steps taken to investigate and resolve the complaint. Grantees must make these records available to SANDAG for inspection during audits. Through the review of regular progress reports and site visits or desk reviews, SANDAG staff monitors the number and type of complaints received by grantees and works closely with grantees to ensure timely resolutions are reached.

Invoicing

Grantees are provided funding for their project on a reimbursement basis. Grantees must submit an invoice packet no more frequently than monthly and no less frequently than quarterly with both Excel and signed PDF versions. Grantees may not request reimbursement for expenses incurred prior to the project start date indicated in the grant agreement. Similarly, grantees may not request reimbursement for expenses incurred after the project close date or after the grant agreement has expired or been terminated. Invoice packets should contain an invoice, expense by task detail, back-up documentation for each expense item, and progress report. An example of the invoice packet template, including the progress report form, is available as a grantee resource at sandag.org/stgp.

Task Detail and Invoice Form

Prior to the start of a grant project, SANDAG staff updates the standard invoice packet excel workbook with project tasks, budget, and other project-specific details. Once updated, staff provides the grantee with the invoice packet excel workbook to use for invoicing for the grant project period. Grantees that have multiple SANDAG grant agreements will receive an invoice template for each grant project.

In completing an invoice, grantees fill out the task detail spreadsheet by allocating that period’s expenses among the reimbursable, match, and revenue columns per project task as appropriate. The sum of the reimbursable amount, matching funds, and revenue for any given task (which is auto-calculated in the total column) should equal the total expense amount incurred by the grantee under that task during the invoice period. Grantees may choose how to allocate matching funds and revenue per task; however, they must ensure that matching funds and revenues are not duplicative of other project costs. In other words, matching funds and revenues reduce the amount that may be claimed for reimbursement.

Grantees may only request reimbursement for the grant-supported portion of the net project cost of the project (e.g., 80% for Senior Mini-Grant operating projects). As previously stated, the net project cost is calculated as total project cost less any revenue generated through the project. Grantees should report revenue; however, revenue is subtracted out of the total expenses incurred by the grantee. Matching funds account for the portion
of net project costs not supported by the grant. Therefore, the net project expenses (expenses minus revenue) for a given invoice period is split between the reimbursable amount and matching funds columns on the task detail spreadsheet. The amount of matching funds allocated per invoice varies depending on the required match percentage for the particular project (e.g., 20% for Senior Mini-Grant operating projects) and depending on how grantees choose to allocate their matching funds over the grant project period. Grantees may choose to provide more matching funds up front, or “over-match”, at the beginning of the grant, and then provide fewer matching funds, or “under-match”, towards the end of the grant. Regardless, grantees must continually meet the required cumulative match percentage to receive payment for the reimbursable amount. SANDAG will not pay an invoice if the required cumulative match percentage is not met.

The task detail spreadsheet allows grantees to allocate project expenses to specific tasks from their project’s scope of work. Amounts entered into the task detail spreadsheet will auto-populate in the invoice spreadsheet. Grantees will need to continually update the box for “previous period-to-date expenses” on the invoice form as they continue to submit invoices. The “previous period-to-date expenses” box can be easily updated by copying the values in the “totals” box from the previous submitted invoice and pasting them into the “previous period-to-date expenses” box for the current invoice. This allows grantees to track total project expenditures over the grant project period. SANDAG staff additionally tracks total project expenditures through internal budget tracking procedures and may provide a grantee with an updated invoice template should discrepancies occur between project actuals as indicated through SANDAG financial statements and project actuals as reported by the grantee.

For an invoice claim to be reimbursed, the invoice form must contain a unique invoice number; the date range for which the grantee is claiming reimbursement; the date the invoice was submitted to SANDAG; and a signature certifying that expenses claimed for reimbursement were allowable, necessary, and reasonable in accordance with the grant agreement. All claimed expenses must have been incurred by the grantee; SANDAG will not prepay for expenses.

**Back-Up Documentation**

Grantees must include back-up documentation for every expense item included in the invoice, including expenses to be paid through matching funds. SANDAG encourages grantees to include a general ledger or cover page for the backup documentation that itemizes each expense, identified by task number, and allocated to either the grant or match. Expense items that do not have back-up documentation, are ineligible based on program requirements (e.g. fuel), or do not support tasks included in the scope of work are not eligible for reimbursement by SANDAG. SANDAG staff works closely with grantees to ensure that all required back-up documentation is included in submitted invoices. Back-up documentation may include payroll documents, receipts, invoices from contracted services, bank statements, or any other proof of an eligible expense incurred by the grantee as it relates to the project. As previously discussed in the Ineligible Expenses subsection in Chapter 3, Section 3.1, SANDAG does not reimburse for direct vehicle operating costs, such as fuel, tires, oil, car insurance, or car repairs. Instead, the reimbursement for vehicle operations is done on a per-mile basis at a rate up to the Internal Revenue Service mileage reimbursement rate. To receive mileage reimbursement, grantees must include a mileage log as back-up documentation.

Grantees must also include documentation of matching funds and revenues collected through the project. If a grantee is using in-kind contributions as match, the value of the in-kind contribution should be calculated using the methodology the grantee provided in the project application.
Project Progress Report and Data Report Forms

Grantees must complete progress reports regularly. There are two progress report forms: one to be completed for operating or mobility management projects and one to be completed for capital projects. Grantees should fill out the progress report form that corresponds with their project’s funding type. For operating or mobility management projects, grantees must submit a progress report with each invoice (monthly or quarterly) to receive reimbursement. For capital projects, grantees must submit a progress report quarterly.

For operating and mobility management projects, the progress report is comprised of two spreadsheets – the progress report form and data report form – which are included in the invoice packet Excel workbook along with the task detail and invoice form spreadsheets. Grantees are responsible for completing the “Project Progress” and “Service Expansion” sections (Section 2 and Section 4, respectively) in the progress report form. Under Section 2 “Project Progress”, grantees are asked to list the tasks worked on or completed during the invoice period (2A) and tasks scheduled to be completed in the next invoice period, including media and outreach efforts (2B). Grantees should include information on upcoming community outreach or marketing activities. Additionally, grantees are asked to explain any problems or challenges that their organization encountered during the reporting period, including any compliance deficiencies identified during the most recent site visit (2C); and describe the resolutions determined to address these problems or challenges in the next reporting period, including corrective action plans to address identified compliance deficiencies (2D).

Under Section 4 “Service Expansion”, grantees are given the opportunity to describe any changes to their service (4A). Service changes may include changes to the grantee’s geographic coverage, service quality, or service times. Additionally, grantees are asked to describe any efforts that their organization has employed to expand their customer base (4B). Grantees are required to record the number of complaints their organization has received from clients or the general public against their transportation program during the reporting period (4C). Further, grantees must discern the nature of a complaint and categorize the complaint as related to one or more of the following subject areas: (1) ADA, (2) Title VI / Non-discrimination, and/or (3) service quality. If a grantee receives a single complaint that addresses more than one of the subject areas described above, the grantee should record the complaint under each subject area for which it pertains. Grantees must address and resolve complaints in a timely manner. Grantees have the opportunity to describe efforts to resolve any complaints that remain unresolved at the time of invoicing on their progress report for that reporting period (4D).

The data report form requires grantees with operating or mobility management projects to provide the following information, as applicable: one-way passenger trips or other units of service, vehicle revenue service hours, and available seats (calculated by multiplying the number of vehicle trips by the number of seats in the vehicle). Grantees should provide project actuals for the reporting period and include proof within the invoice back-up documentation to support the data. For example, trip logs, or mileage logs that additionally track the number of vehicle trips and one-way passenger trips provided, can serve as back-up documentation for project actuals reported on the data report form. SANDAG staff works closely with grantees to validate the accuracy of project data.

Based on data entered by the grantee, the following performance indicators are auto-calculated and reported on the data report form for operating or mobility management projects: cost per one-way passenger trip or other unit of service, cost per revenue service hour, and passenger seat utilization. Due to varying project types and service parameters, not all performance indicators are applicable to all projects. For example, mobility management projects do not involve the operation of vehicles. Therefore, the “cost per revenue service hour” and “passenger seat utilization” performance indicators are not applicable. All projects, however, have a “cost
per unit of service delivered” (or “cost efficiency”) performance indicator. SANDAG staff tracks the project deliverables and the applicable performance indicators for each reporting period to monitor the progress and performance of the project. SANDAG monitoring and reporting procedures are discussed in more detail in Chapter 5.

For capital projects, grantees do not submit invoices quarterly. Grantees are required, however, to submit progress reports quarterly. The progress report form for capital projects is included in a stand-alone excel workbook, which SANDAG provides to grantees once vehicle(s) or other equipment have been procured. The vehicle and other equipment progress report form is available as a grantee resource at sandg.org/stgp. Grant implementation and procedures as they pertain specifically to capital projects are discussed in more detail in Chapter 4.

**Financial Management**

Both grant programs outline financial management procedures and requirements applicable to SANDAG and its grantees. As previously discussed, grantees shall submit their itemized, signed invoices with back-up documentation to SANDAG no more frequently than monthly and no less frequently than quarterly. Invoices shall reference the grant agreement contract number. SANDAG processes the invoice by validating that all invoiced expense items are accounted for in the back-up documentation; verifying that the required match amount was provided; and recording all relevant invoice amounts (reimbursable, match, and revenue) and progress report data (project deliverables and performance indicators) in an internal master budget tracking excel workbook. SANDAG staff prepares a request for payment form and then forwards the request for payment form and invoice to the SANDAG Finance Department for final processing and payment.

Subrecipients of Section 5310 funds (referred henceforth as subrecipients) are subject to federal requirements. In signing a grant agreement with SANDAG, subrecipients must agree to comply with the federal Office of Management and Budget (OMB) 2 CFR 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.

All grantees, subrecipients and recipients of TransNet Senior Mini-Grant funds alike, must agree to establish and maintain an accounting system and records that properly accumulate and segregate incurred project costs and matching funds by line item for the project. This accounting system may be a separate set of accounts or separate accounts within the framework of an established accounting system. Accounting systems must conform to the Generally Accepted Accounting Principles, enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices. Grantees must maintain all checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents related to the project so that they may be clearly identified, readily accessible, and available to SANDAG upon request.

Grant agreements will contain an expiration date, which will refer to the last date that the grantee can incur valid project costs or credit. Grantees have until 60 days after the expiration date to make final allowable payments to project contractors or vendors, prepare the final invoice and progress report, and submit the final invoice packet to SANDAG for reimbursement for allowable costs. Any unexpended project funds not invoiced by the 60th day will be reverted and will no longer be accessible to reimburse late project invoices.

**Records Retention and Audit Compliance**

Grantees are required to maintain all accounting records and other supporting papers for a minimum of three years from project close-out and make them available for inspection, copying, and audit by representatives of
SANDAG and auditors (which includes auditors representing the federal government, as applicable to Section 5310 projects only). Grantees also are required to provide sufficient access to SANDAG’s independent performance auditor to verify compliance with the terms specified in the grant agreement. Grantees are responsible for ensuring that all third-party contractors comply with the record retention requirement.

Specifically, all books, documents, papers, accounting records, and other evidence pertaining to the performance of grant-funded projects (including, but not limited to, the costs of administering those projects) must be made available for inspection for the purpose of determining compliance with Title 21, California Code of Regulations, Section 2500 et seq., when applicable, and other matters connected with the performance of grantees and subgrantees pursuant to Government Code Section 8546.7. Grantees and third-party contractors are required to make the materials listed above available at their respective offices at all reasonable times during the entire grant project period and for three years from the date of the SANDAG final payment to the grantee under the grant agreement. Grantees and third-party contractors are additionally required to allow the State Fair Employment Practices and Housing Commission (or any other agency of the State of California designated by SANDAG to perform compliance investigations) to access all records of employment, employment advertisements, employment application forms, and other pertinent data and records.

Grantees must agree to have financial and compliance audits performed should SANDAG require them. If performed, these audits must comply with the provisions of 2 CFR 200. Grantees must also agree to obtain any other audits as required by SANDAG.

**Board Policy No. 035**

SANDAG Board Policy No. 035 applies to projects funded through the former JARC and New Freedom programs, and the Section 5310 and Senior Mini-Grant programs among other SANDAG administered grant programs. Per Board Policy No. 035, grantees must submit a resolution with project proposals and sign a grant agreement within 45 days of receiving the grant agreement from SANDAG. Requirements for a resolution are discussed in the Subrecipient/Recipient Resolution subsection in Chapter 3, Section 3.1 Funding Eligibility. Board Policy No. 035 also includes a “use it or lose it” policy, which requires that grantees make diligent and timely progress toward the completion of the grant project within the timelines set forth in the project schedule. Failure to meet project milestones and deadlines may result in the early termination of the grant agreement. Per Board Policy No. 035, grantees may request and be granted up to a six-month extension at the SANDAG staff level. Time extensions longer than six months must receive approval by the Transportation Committee. Grantees must request a time extension in writing in which they (1) document previous efforts undertaken to maintain the project schedule, (2) explain the reasons for the delay, (3) explain why the delay is unavoidable, and (4) demonstrate an ability to succeed in the extended time frame the grantee proposes.

**Media and Community Outreach**

SANDAG performs extensive community outreach throughout the San Diego region as it relates to SANDAG informational products, programs, and projects. The SANDAG Public Information Office and Department of Strategic Communications are dedicated to coordinating outreach efforts and ensuring meaningful public participation throughout SANDAG’s planning process and other activities. SANDAG includes provisions on media and community outreach in the grant agreement to ensure oversight of grantee outreach activities and to gather information that may be used to promote the grant programs and the services provided through grant-funded projects.
Per grant agreement provisions, grantees are required to update SANDAG on project-related events and milestones and inform SANDAG of media and community outreach efforts. Grantees are also required to provide project information to support SANDAG media and communications efforts to promote the Specialized Transportation Grant Program.

Grantees are required to provide SANDAG with project photos including photos taken throughout program events or project tasks and throughout the length of the project. The photos should be high resolution (at least 4 inches by 6 inches with a minimum of 300 pixels per inch) and contain captions with project descriptions, dates, locations, and the names of those featured, if appropriate. Grantees are required to submit at least one project photo of high quality to SANDAG no less frequently than on a quarterly basis for the duration of the project. SANDAG encourages grantees to submit project photos via email concurrent with submission of progress reports. SANDAG reserves the right to use the information provided by grantees for any combination of the following: social media posts, online photo albums, videos, press releases, PowerPoint presentations, web updates, newsletters, and testimonials. In submitting photos to SANDAG, grantees agree that the photos have been obtained with the consent of all persons featured in the photo (or that of a parent or guardian of persons under the age of 18) using the SANDAG Photo and Testimonial Release form to be provided by SANDAG, or a similar release form developed by the grantee and agreed upon by SANDAG, and to release the rights of the photos to SANDAG for its use.

**Required Forms**

Section 5310 and Senior Mini Grant applicants are required to sign and submit the following form to SANDAG with their project proposal(s). This form is described briefly below and is available as a grantee resource at sandag.org/stgp.

**Public Contract Code Questionnaire**

By signing this form, the applicant declares whether or not it or any its officers or employees have ever been disqualified, removed, or prevented from bidding or proposing a publicly government project in accordance with Public Contract Code Section 10162.

Section 5310 and Senior Mini Grant successful applicants are required to sign and submit the following form to SANDAG prior to execution of a grant agreement. This form is described briefly below and is included in the appendix.
Equal Employment Opportunity Certificate

By signing this form, subrecipients certify that their organization will provide equal employment to all people, without regard to race, color, religion, sex, national origin, or any other class of persons protected by state or federal law. Subrecipients agree to comply with the federal EEO requirements of Title VII of the Civil Rights Act of 1964, the SANDAG EEO Program, the California Fair Employment Practices Act, and any other applicable federal and state laws.

All grantees are required to begin collecting client demographic from the grant execution date, submitting that data to SANDAG through a Client Demographic Information form on an annual basis. The form is described below and included in the appendix.

Client Demographic Information

Grantees are required to submit the following project information: number of clients served, including a breakdown of elderly, disabled, and wheelchair users; percent of national origins served; number of limited-English proficient persons served, including the primary languages spoken by these clients; and number of low-income clients served.

Federal Requirements

As the designated recipient of Section 5310 funds and formerly of JARC and New Freedom funds, SANDAG is responsible for subrecipient compliance. In addition to the requirements listed above, subrecipients of federal funds are subject to federal requirements and regulations. Grantees receiving only local funds through the TransNet Senior Mini-Grant program are not subject to the federal requirements discussed in the following sections. Federal requirements, applicable to Section 5310 subrecipients, are discussed in detail below and are also outlined in the Section 5310 grant agreement included in the appendix.

Data Universal Numbering System

Subrecipients are required to have a Data Universal Numbering System (DUNS) number to be eligible to receive federal funds through the Section 5310 program or other federal grant programs. A DUNS number is a nine-digit identification number that provides unique identification for single business entities. Subrecipients can obtain a DUNS number at no cost from Dun and Bradstreet (dnb.com). Subrecipients will be prompted to provide information through the iUpdate online module and should expect to receive a DUNS number five weeks after completing the online request form. Subrecipients must provide SANDAG with their organization’s DUNS number, which is used to report subrecipient awards to the FTA. SANDAG federal reporting requirements as they relate to Federal Funding Accountability and Transparency Act of 2006 are discussed in more detail in the Phase III: Implementation subsection in Chapter 2, Section 2.2.

Audits

A subrecipient of federal funds that expends more than $750,000 in federal awards (through Section 5310 or other federal programs) in a given fiscal year is required to have a single audit performed for that fiscal year in accordance with 2 CFR 200 unless the subrecipient elects to have a program-specific audit. If the only federal funds expended by a subrecipient are Section 5310 funds, the subrecipient may elect to have a program-specific audit. Subrecipients for which an audit is required must submit audit findings to SANDAG.
works closely with subrecipients to ensure audit findings that relate to the Section 5310 award are resolved in a timely manner.

Title VI

Subrecipients under the former JARC and New Freedom programs and the current Section 5310 program are required to a Title VI plan accepted by SANDAG and approved by their governing bodies prior to the execution of a grant agreement. All subrecipients are also required to update their Title VI plans and seek approvals every three years. SANDAG recommends that subrecipients submit draft Title VI plans or updates to SANDAG at least 60 days before final approval is due.

Table 3.5 provides a sample schedule for Title VI plan review and approvals by all involved parties. More time may be needed depending on the number of drafts and revisions required or the ability to secure a resolution from the subrecipient’s governing body approving the grantee’s Title VI plan and program.

<table>
<thead>
<tr>
<th>Step</th>
<th>Responsible Party</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Subrecipient</td>
<td>Submit draft Title VI plan or plan update to SANDAG for review</td>
</tr>
<tr>
<td>2</td>
<td>SANDAG</td>
<td>Review draft for compliance with federal requirements, providing suggested edits as needed</td>
</tr>
<tr>
<td>3</td>
<td>Subrecipient</td>
<td>Resubmit subsequent draft(s) as needed</td>
</tr>
<tr>
<td>4</td>
<td>SANDAG</td>
<td>Review subsequent draft(s) as needed</td>
</tr>
<tr>
<td>5</td>
<td>SANDAG</td>
<td>Notify subrecipient that SANDAG has conditionally accepted its Title VI plan, pending inclusion of resolution from subrecipient’s governing body</td>
</tr>
<tr>
<td>6</td>
<td>Subrecipient</td>
<td>Secure resolution from subrecipient’s governing body approving Title VI plan accepted by SANDAG</td>
</tr>
<tr>
<td>7</td>
<td>Subrecipient</td>
<td>Submit to SANDAG final Title VI plan with resolution and post Title VI Notice to the Public and Complaint Procedures on website and appropriate locations as identified in subrecipient’s Title VI plan</td>
</tr>
<tr>
<td>8</td>
<td>SANDAG</td>
<td>Verify the necessary documents have been posted in the appropriate locations including the grantee’s website; inform subrecipient that SANDAG has accepted its Title VI plan; and provide the deadline for the triennial update</td>
</tr>
</tbody>
</table>

To aide subrecipients in developing their Title VI plans, SANDAG reviews Title VI requirements at the Successful Applicant Workshop and also provides subrecipients with a [Guide to Developing a Title VI Plan for FTA Subrecipients](#) (Guide). The Guide outlines all federal requirements and provides step-by-step instructions on how to develop a Title VI plan. The Guide provides a checklist that includes all the components required in a Title VI plan and also includes templates and fillable forms for each of these components. The following components are required to be included in subrecipients’ Title VI plans:
**Title VI Notice to the Public (Non-Discrimination Statement)**

Subrecipients are required to notify the public of their protection against discrimination under Title VI. The Title VI Notice to the Public must include: (1) a statement that the subrecipient operates its programs without regard to race, color, or national origin; (2) a description of the procedures that members of the public should follow to request information on the subrecipient’s Title VI obligations; and (3) a description of the procedures that members of the public should follow to file a Title VI discrimination complaint against the subrecipient.

**Posting of Title VI Notice to the Public**

Per federal requirements, subrecipients must post their Title VI Notice to the Public, at a minimum, in the following areas: the subrecipient’s website, any public area of the subrecipient’s office including the reception desk and meeting rooms, and transit vehicles and/or stations or stops. In their Title VI plans, subrecipients must identify the locations where their agency has posted its Title VI Notice to the Public.

**Complaint Form and Procedures**

Subrecipients are required to have complaint procedures and a form through which the public may file a Title VI discrimination complaint. In their Title VI plans, subrecipients must identify how their agencies make their complaint form and procedures available to the public, including for non-English or LEP speakers.

**Record and Report Transit-Related Title VI Investigations, Complaints, and Lawsuits**

Subrecipients must include a record of any complaints or lawsuits alleging discrimination on the basis of race, color, creed, national origin, income level, sex, age, or disability.

**Public Participation Plan**

Subrecipients are required to have a public participation plan that describes their strategies to market their program, encourage public participation, and perform community outreach. Subrecipients’ strategies should be tailored to the unique population that they serve and should include special consideration for low-income, minority, and LEP populations.

**Meaningful Access to LEP Persons**

Subrecipients are required to perform a Four-Factor Analysis to determine the specific language services that are appropriate for their agency to provide and develop a Language Assistance Plan based on the results of this analysis. The Four-Factor Analysis requires subrecipients to determine: (1) the number of LEP persons eligible to be served by their program, (2) the frequency with which LEP persons come into contact with their program, (3) the importance of their program to the lives of LEP persons, and (4) the resource available to the subrecipient for LEP outreach as well as the cost associated with that outreach. In addition to other resources, the Guide provides a step-by-step tutorial of how to access and report on Census data to assist grantees in successfully completing Factor 1 of the Four-Factor Analysis.

**Minority Representation on Planning and Advisory Bodies**

Subrecipients that have transit-related, non-elected governing boards, advisory councils, or committees (the membership of which is selected by the subrecipient) are required to provide a table depicting the racial breakdown of the membership of those committees, and a description of efforts made to encourage the participation of minorities on such committees.

**Resolution**
Subrecipients are required to submit a resolution from their governing bodies that approves their Title VI programs as described in the subrecipient’s Title VI plan.

Subrecipients and Senior Mini Grant Program grantees are required to begin collecting client demographic data from the grant execution date, providing SANDAG with that data on an annual basis. SANDAG has developed a Client Voluntary Demographic Data Survey that grantees may use to determine the populations that are served through their project and the frequency with which these populations access project services. Data received from grantees will be included in the triennial Title VI report that SANDAG, as a direct recipient, submits to the FTA for SANDAG-related activities.

Disadvantaged Business Enterprise

Subrecipients must agree to take all necessary and reasonable steps set forth in 49 CFR 26 and United States DOT regulation “Participation by Disadvantaged Business Enterprise (DBE) in DOT Financial Assistance Programs” to ensure nondiscrimination in the award and administration of third-party contracts. It is SANDAG policy that DBEs and small businesses have an equal opportunity to participate in the performance of contracts financed in whole or in part with FTA funds. Subrecipients must agree to cooperate with SANDAG and its DBE Program in meeting SANDAG commitments and goals regarding the maximum utilization of DBEs and small businesses.

Environmental Protection

SANDAG does not foresee that any projects funded through the Section 5310 program will require additional environmental review beyond a Categorical Exclusion under the National Environmental Protection Act or a Categorical Exemption under the California Environmental Quality Act. If additional documentation is required, SANDAG will ensure that the appropriate steps are taken so that the selected subrecipient will meet state and federal environmental protection requirements.

Drug and Alcohol Testing

Subrecipients receiving Section 5310, JARC, or New Freedom funds are exempt from the FTA’s drug and alcohol testing rules (FTA Circular [C] 9070.1G, FTA C 9050.1, FTA C 9045.1). If a subrecipient is awarded a Section 5310, JARC, or New Freedom Grant and also receives funding from another FTA program (Section 5307, 5309, or 5311), which requires compliance with the drug and alcohol rules, the subrecipient should include any employee funded under Section 5310, JARC, or New Freedom in their drug and alcohol testing program.

Section 5310, JARC, or New Freedom grant subrecipients must comply with the Federal Motor Carrier Safety Administration (FMCSA) rule for all employees who hold Commercial Driver’s Licenses (CDLs) (49 C.F.R. 382). This part applies if the CDL holder operates a “commercial motor vehicle,” which means a motor vehicle having a gross combination weight rating or gross vehicle weight rating of 26,001 or more pounds, or which is designed to transport 16 or more passengers, including the driver (49 C.F.R. 382.103[a][1], 49 C.F.R. 382.107). Grant applicants are responsible for reviewing the appropriate sections of FTA C 9070.1G, 9050.1, and 9045.1 to ensure compliance with these conditions. Additionally, subrecipients must establish and implement compliance with all applicable DOT rules and regulations, including the requirements of 49 CFR 655 (Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations).
Required Federal Forms

Section 5310 applicants are required to sign and submit the following federally-required forms to SANDAG with their project proposal(s). These forms are described briefly below and are available as grantee resources online at sandag.org/stgp.

Eligibility Certificate for Federally Funded Contracts
By signing this form, subrecipients certify that their organization is not on the United States Comptroller General’s List of Parties Excluded from Federal Procurement and Non-procurement Programs. Subrecipients can verify their status online at the System for Award Management (SAM) website (sam.gov). Any organization appearing on the list is not eligible to receive federal funds through SANDAG.

Noncollusion Affidavit/Declaration
By signing this form, subrecipients declare that their organization has not engaged in collusion of any kind as relevant to the submittal of their project proposal and in accordance with 23 U.S.C. 112, and Public Contract Code Section 7106.

Debarment and Suspension Certificate
By signing this form, subrecipients certify that any person associated with their organization (in the role of owner, partner, director, officer, or manager) has not been or is not currently under suspension or debarment or any other indictment or conviction as mandated through 49 CFR 29.

Certification of Restrictions on Lobbying
By signing this form, subrecipients certify that federal financial assistance may not be used to influence any member of Congress, directly or indirectly, or an officer or employee of any agency in connection with the making of any federal contract, grant, or cooperative agreement as imposed by 31 U.S.C. 1352.

Third-party Contractor Statement of Eligibility
If subrecipients will use third-party contractors to perform any or all project tasks, the third-party contractors must complete a statement of eligibility certifying that their organization is not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in any federal project by any federal department or agency.

Subrecipients are required to sign and submit the following federally-required forms to SANDAG prior to the execution of a grant agreement. These forms are described briefly below and are available as grantee resources online at sandag.org/stgp.

Certificate of Civil Rights Assurance
By signing this form, subrecipients agree to comply with the Federal Certifications and Assurances for FTA Assistance Programs, including Title VI of the Civil Rights Act of 1964. Further, subrecipients agree that they are required to gather, maintain, and submit Title VI information to SANDAG as required by the FTA; and prepare and submit to SANDAG a list of any active Title VI investigations, lawsuits, or complaints.

Buy America Certificate
By signing this form, subrecipients agree to comply with the federal Buy America requirements in 49 USC 5323(j) and the regulations in 49 CFR 661 et. seq.
Chapter 4:  
Capital Procurement

4.1 Vehicle Procurement Procedures

Prior to submitting an application, applicants are encouraged to research vehicle types, specifications, and optional features that will most appropriately serve the needs of their clients and transportation program. SANDAG recommends that applicants use resources such as the vehicle budgeting tool, which SANDAG makes available on SANDAG’s website during an open call for projects, and the California Association for Coordinated Transportation (CalACT)/Morongo Basin Transit Authority (MBTA) Vehicle Purchasing Schedule available online at CalACT’s website (calact.org/purchasingco-op). SANDAG currently uses the CalACT/MBTA Vehicle Purchasing Cooperative (the Cooperative) to procure new vehicles. Procurement through the Cooperative is federally compliant. Applicants may only apply for funds to procure new vehicles that are available through the Cooperative.

Once funds for vehicle procurement have been awarded, SANDAG works closely with each grantee to procure their awarded vehicle(s). SANDAG procures the vehicle(s) on behalf of the grantee through the Cooperative. Using the vehicle specifications and chosen vendor provided in the grantee’s application, SANDAG staff solicits and verifies quotes from the vendor(s) under the Cooperative, confirms quote details and match amount with the grantee, executes a grant agreement with the confirmed grant and match amounts, and issues an invoice for the required grantee cash match. Upon receipt of the grantee’s cash match, SANDAG issues (a) purchase order(s) for the vehicle(s). Vehicle specifications and costs as well as SANDAG’s procedures for verifying consistency between a grantee’s application, the vendor’s quote, and the CalACT/MBTA Vehicle Purchasing Schedule are discussed in greater detail in the subsection “Vehicle Costs” in Chapter 3, Section 3.1 Funding Eligibility.

Upon execution of the purchase order, SANDAG works closely with the vendors to identify a production and/or delivery schedule. The grantee is responsible for picking up or receiving delivery of the vehicle(s) from the dealer. After vehicles have been placed into operation, grantees must maintain adequate records of vehicle usage including, but not limited to, regular maintenance, mileage logs, one-way-passage trips, damage reports, and insurance certificates.

Responsible parties and estimated timing for each step in the vehicle procurement process is included in Table 4.1. Timing, however, varies depending on the responsiveness of the grantee and vendors, number and type of vehicle being purchased, specifications or modifications required, and the availability of vehicles through the Cooperative.
### Table 4.1: Vehicle Procurement Process

<table>
<thead>
<tr>
<th>Responsible Party</th>
<th>Action item</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>SANDAG</td>
<td>Solicit and verify quote(s) for vehicle(s) based on specifications provided in the grant application</td>
<td>2 months prior to Notice to Proceed</td>
</tr>
<tr>
<td>SANDAG</td>
<td>Confirm quote details and match amount with successful applicant</td>
<td>1 month prior to Notice to Proceed</td>
</tr>
<tr>
<td>SANDAG</td>
<td>Send invoice for matching funds</td>
<td>Within 1 month after Notice to Proceed</td>
</tr>
<tr>
<td>Grantee</td>
<td>Provide matching funds to SANDAG</td>
<td>Within 2 months after Notice to Proceed</td>
</tr>
<tr>
<td>SANDAG</td>
<td>Issue Purchase Order(s)</td>
<td>Within 8 months after Notice to Proceed</td>
</tr>
<tr>
<td>Grantee</td>
<td>Receive delivered vehicle(s)</td>
<td>Within 6 months after date of Purchase Order(s)</td>
</tr>
<tr>
<td>SANDAG</td>
<td>Verify post-delivery requirements have been met</td>
<td>Within 7 months after Purchase Order(s)</td>
</tr>
</tbody>
</table>
| Grantee           | Operate vehicle(s) in accordance with fund transfer agreement for the minimum useful life of vehicle(s) | Light-duty vehicle (Minivan)  
(Minivan) | at least 4 years or 100,000 miles |
|                   |                                                                             | Medium-sized, light-duty transit bus (approx. 25' - 35') | at least 5 years or 150,000 miles |
|                   |                                                                             | Medium-sized, medium-duty transit bus (approx. 25' - 35') | at least 7 years or 200,000 miles |
| Grantee           | Submit vehicle appraisal to SANDAG                                         | Within 3 months from end of useful life of each vehicle |
| SANDAG            | Final disposition action                                                   | Within 6 months from end of useful life of each vehicle |

#### 4.2 Lease Agreement

SANDAG attaches a lease agreement to the grant agreement for projects that involve vehicle procurements. Grantees are subject to the terms and conditions of the lease agreement in addition to the terms and conditions of the grant agreement. A sample lease agreement is included in the appendix. The lease agreement outlines the procurement procedures as discussed above as well as SANDAG and federal requirements with which grantees must comply.

All vehicles are procured in compliance with competitive procurement requirements. Grantees are required to provide SANDAG with any information reasonably requested by SANDAG, which is necessary to complete the vehicle procurement process. Following the purchase of the vehicle(s), SANDAG staff completes a vehicle schedule and includes it in the SANDAG grant project files. A vehicle schedule includes the following information: vehicle description; identification number; date of acquisition; total cost of vehicle and federal percentage of the total cost; Federal Transit Administration (FTA) grant number; location, use, and condition.
of vehicle; useful life; any disposition action; and the registered owner’s (grantee) and lienholder’s (SANDAG) names. A vehicle schedule template is included in the lease agreement.

As previously stated, grantees are responsible for picking up or receiving delivery of the vehicle(s) from the dealer. After the vehicle(s) is(are) delivered and prior to placing the delivered vehicle(s) in service, grantees are responsible for the completion of a visual inspection and road test to ensure the vehicle(s) meet specifications, match the purchase order, and are road-worthy. SANDAG reviews the documentation submitted by the grantee and completes Post-Delivery Buy America Certifications for all vehicles procured by SANDAG to ensure compliance with Buy America requirements. The Post-Delivery Buy America Certifications are available as grantee resources online at sandag.org/stgp. The grantee is required to comply with all other post-delivery requirements and requests made by SANDAG.

SANDAG leases the grant-funded vehicle to the grantee through the lease and grant agreements. The grantee is the registered owner and SANDAG is the lienholder of the vehicle(s), which allows SANDAG to hold a security interest in the vehicle and retain continuing control of the vehicle. The lease fee is $1 per year, payable at the end of each year. The lease term is the period that the vehicle(s) are to be retained in service in accordance with minimum useful life standards set forth by the FTA C 5010.1E, as amended. Vehicles are considered to have reached their minimum useful life after a specified number of years or after accruing a specified number of miles, whichever occurs sooner. The minimum useful life for vehicles based on vehicle type is included in Table 4.1.

Grantees are responsible for all costs associated with normal maintenance and upkeep, insurance, taxes, and registration fees. Grantees are required to submit certificates of insurance coverage to SANDAG at the time of grant execution and upon request by SANDAG during the lease term.

Grantees are required to operate grant-funded vehicles in a manner that is consistent with their original project proposal submitted to SANDAG through the competitive process. The misuse of a vehicle will result in an early termination of the grant agreement. The grantee must maintain adequate written records of vehicle use, such as a log book, and maintenance records.

**Disposition of Vehicles**

At the end of the minimum useful life of each vehicle, grantees are required to notify SANDAG and SANDAG will determine the appropriate actions requested consistent with FTA guidance. If the fair market value of the vehicle to be disposed is equal to or greater than $5,000, and if the vehicle was purchased using federal funds, reimbursement of the remaining federal interest in the vehicle must be provided to the FTA. SANDAG will calculate the fair market value based on information given by the grantee and provide to the FTA if the vehicle was purchased with federal funds. If the fair market value of the vehicle is under $5,000, then there is no continuing obligation to the FTA respecting disposition of the vehicle purchased with federal funds. If a grantee returns a vehicle to SANDAG, the grantee must ensure the vehicle is good working order with valid registrations and all parts and accessories as originally provided to the grantee. Once the vehicle has been disposed of, the grantee has no financial interest in the vehicle including any match amount previously provided. Grantees are required to notify SANDAG when the vehicle(s) are delivered to the grantee and removed from service (for more than three business days or indefinitely). Grantees are prohibited from disposing of, transferring, selling, exchanging, or subleasing the vehicle(s) without prior written approval of SANDAG.
Federal Requirements

As the designated recipient of federal funds, SANDAG is subject to a variety of federal requirements pertaining to vehicle procurement. Certain federal requirements remain the sole responsibility of SANDAG throughout the lease term whereas other requirements flow through to the grantees. The following summarizes federal requirements and the parties responsible for compliance.

Continuing Control
SANDAG must demonstrate satisfactory continuing control over the vehicle during the grant project and ensure that the vehicle is used for the purpose for which it was procured for the entirety of its operation under the lease term. SANDAG provides oversight of the grantee’s use of the vehicle and other grant-funded equipment via a monitoring program.

Compliance with Competitive Procurement Requirements
SANDAG procures vehicles in compliance with all federal requirements for competitive procurement.

Notification of Changed Conditions
Grantees must notify SANDAG of any changes in conditions of the vehicle or operation of the vehicle. SANDAG, in turn, is responsible for notifying the FTA of any change in conditions, including changes in local law or litigation, which would affect use of vehicles.

Drug and Alcohol Testing
Grantees must provide drug and alcohol testing of all drivers operating vehicles that require a commercial driver’s license in compliance with Federal Motor Carrier Safety Administration requirements. Drug and alcohol testing requirements are discussed in greater detail in the Federal Requirements subsection in Chapter 3, Section 3.3.

Equipment Management and Maintenance
Grantees must maintain the vehicle(s) in good operating order and make all maintenance records available to SANDAG upon request. Grantees also must submit quarterly progress reports to SANDAG.

Maintenance Inspections
Grantees must maintain the vehicle(s) at a high level of cleanliness, safety, and mechanical soundness. SANDAG and the FTA have the right to conduct periodic maintenance inspections for the purpose of confirming the existence, condition, and proper maintenance of the vehicle(s).

Insurance
Grantees must maintain sufficient insurance as required under the grant agreement to cover all casualty losses and ensure the repair or replacement of federally-funded property, including vehicle(s). Insurance requirements are discussed in greater detail in Chapter 3, Section 3.3.

Title VI, Nondiscrimination Requirements
Grantees must provide transportation services in a nondiscriminatory manner. Grantees must submit a Title VI plan to SANDAG prior to execution of a grant agreement, and provide any information necessary for Title VI reporting that SANDAG may need to provide to the FTA. Non-discrimination requirements are discussed in greater detail in Chapter 3, Section 3.3.
Records
SANDAG and grantees must maintain full and accurate copies of records related to costs expended for vehicle procurement. All such material and data must be available for review at their respective offices at reasonable times for three years from the lease termination date. Records requirements are discussed in greater detail in Chapter 3, Section 3.3.

Minimum Service Life
SANDAG and grantees must comply with the FTA’s minimum service life requirements as described in FTA Circular 5010.1E, as amended. Table 4.1 provides the useful life for vehicles based on vehicle type.

Accessibility
In accordance with United States Department of Transportation regulations, all vehicles procured through SANDAG must be accessible to and useable by individuals with disabilities, including individuals using wheelchairs.

4.3 Other Equipment and Contract Transportation Services

Other Equipment
Grantees must procure all property in compliance with competitive procurement requirements. Grantees must obtain and submit to SANDAG, at minimum, three competitive bids for the other equipment covered in the scope of work attached to their grant agreement or provide adequate justification for the absence of bidding. For any purchase of equipment, prior authorization must be obtained from SANDAG. Once equipment has been procured, grantees must submit an invoice to SANDAG to receive reimbursement for the procured equipment. Grantees are required to keep an inventory of grant-funded property that includes pertinent information such as equipment serial numbers and physical location of the equipment. Grantees must provide this information to SANDAG to assist SANDAG in inventorying equipment purchased through the Specialized Transportation Grant Program.

Contract Transportation Services
Contract services are transportation services a grantee acquires under a contract, lease, or other arrangement including, but not limited to, ADA-complementary paratransit services. All requirements pertaining to third-party contracting apply to contract service projects. Under the Section 5310 program, contract services are considered an eligible capital project.

4.4 Vehicle and Other Equipment Monitoring and Reporting

Vehicle Maintenance
SANDAG requires grantees with grant-funded vehicles procured by SANDAG to maintain these vehicles in good, operating order at a high level of cleanliness, safety, and mechanical soundness pursuant to SANDAG and federal requirements. To maintain vehicles in good operating order, grantees must submit a vehicle maintenance plan describing preventative and routine maintenance measures the grantee will undertake and the frequency with which maintenance will be performed for each vehicle. These measures and the frequency with which grantees perform them are determined by factors including specific manufacturer recommendations and the vehicle’s age or odometer reading. Second, SANDAG requires vehicle project
grantees to perform and report preventative and routine maintenance consistent with the grantee’s vehicle maintenance plan. Third, vehicle project grantees must keep adequate records of vehicle usage including, but not limited to, preventative and routine maintenance performed, which shall be made available to SANDAG and the FTA for inspection upon request. SANDAG’s specific requirements pertaining to SANDAG’s vehicle maintenance policy and procedures are outlined in the appendices.

**Vehicle and Other Equipment Progress Report**

As previously discussed in the Invoicing subsection of Chapter 3, Section 3.3, grantees with vehicle(s) or other equipment must submit to SANDAG on a quarterly basis a vehicle and other equipment progress report, which is included as a grantee resources available at sandag.org/stgp. Like progress reports for operating and mobility management projects, grantees with capital projects excluding contract services must submit both Excel and PDF versions of the vehicle and other equipment progress report. The capital project progress report requires grantees to report vehicle usage data for each grant-funded vehicle including the number of vehicle miles traveled, weekly average service hours per week, vehicle trips, and one-way passenger trips provided during the reporting period. The vehicle and other equipment progress report also requires grantees to state the preventative maintenance interval (e.g. every 10,000 miles or every 3 months), report if the preventative maintenance was performed in the reporting quarter, and provide adequate records or documentation. Grantees must ensure that at least 80 percent of one-way passenger trips provided are for the target population. The vehicle and other equipment progress report asks grantees to delineate the number of one-way passenger trips by individuals with disabilities (non-seniors), seniors (without a disability), seniors with disabilities, and incidental service users who are not in the target population.

Grantees must operate grant-funded vehicles at least 20 hours per week as required by the SANDAG grant agreement. Grantees should notify SANDAG immediately if a grant-funded vehicle is taken out of service for more than three business days due to loss, damage, or repairs. Additionally, grantees should document such instances in the vehicle or other equipment progress report. The vehicle and other equipment progress report also allows grantees to provide SANDAG with information on other grant-funded equipment. Grantees are asked to provide SANDAG with the equipment description (make/model), serial number, and physical location. SANDAG keeps an inventory of all property purchased with grant funds including vehicles and other equipment.

**Monitoring and Vehicle Audits**

SANDAG reviews submitted vehicle and other equipment progress reports to monitor grantee performance and determine whether grant-funded vehicle(s) or other equipment continue to be used for their intended purpose and in a manner consistent with the terms and conditions of the grant agreement. SANDAG also tracks vehicle usage data. Through review of progress reports, SANDAG verifies that grantees complete project deliverables and perform activities with grant-funded vehicle(s) or equipment that continue to be eligible under the grant program through which the project was funded. Finally, SANDAG tracks vehicle mileage to monitor vehicle usage and the useful life of the vehicle.
SANDAG periodically conducts audits of grant-funded vehicles and other equipment. During vehicle audits, SANDAG inspects grant-funded vehicles and other equipment using the Vehicle Inspection Report Form, which is included in the appendix. These inspections are not safety inspections. SANDAG project managers verify that certain features, such as headlights and windshield wipers, are functional. Additionally, accessible ramps and lifts are deployed to ensure that they are functioning, and that the grantee is compliant with Americans with Disabilities Act of 1990 requirements. During vehicle audits, SANDAG also checks maintenance records to verify that all preventative and routine maintenance has occurred on time and accurately reflects what the grantee has submitted in vehicle and other equipment progress reports. Finally, SANDAG takes photos of vehicle(s) or other equipment, which are included in the project’s files, incorporated into the SANDAG physical inventory records, and made available to the FTA.
Chapter 5: Monitoring And Reporting

5.1 Performance Monitoring and Reporting

SANDAG has developed a standardized performance monitoring program applicable to all prior and currently administered grant programs. The purpose of the performance monitoring program is to collect information on the performance of individual projects and grant programs as a whole for reporting to the Federal Transit Administration (FTA) and SANDAG policy committees and working groups. This section identifies the program measures as outlined in the FTA program guidance for each federal grant program and the program requirements for the TransNet Senior Mini-Grant program. SANDAG tracks and monitors these program measures to determine the overall health or performance of individual projects. Continual monitoring of grant-funded projects occurs through staff implementation of various procedures, which are identified and described in detail in this section. Finally, this section describes SANDAG reporting requirements and procedures as they pertain to the Specialized Transportation Grant Program.

Program Measures

Under the Government Performance Results Act, the FTA is required by law to “establish performance goals to define the level of performance” and also “establish performance indicators to be used in measuring relevant outputs, service levels, and outcomes” for each of its programs.

The performance measures established in FTA Circular (C) 9050.1 for the former Job Access and Reverse Commute (JARC) program are as follows:

1. Actual or estimated number of jobs that can be accessed as a result of geographic or temporal coverage of JARC projects implemented in the current reporting year
2. Actual or estimated number of rides (as measured by one-way trips) provided as a result of the JARC projects implemented in the current reporting year

The performance measures established in FTA C 9045.1 for the former New Freedom program are as follows:

1. Increases or enhancements related to geographic coverage, service quality, and/or service times that impact availability of transportation services for individuals with disabilities as a result of the New Freedom projects implemented in the current reporting year
2. Additions or changes to environmental infrastructure (e.g., transportation facilities, sidewalks, etc.), technology, and vehicles that impact availability of transportation services as a result of the New Freedom projects implemented in the current reporting year
3. Actual or estimated number of rides (as measured by one-way trips) provided for individuals with disabilities as a result of the New Freedom projects implemented in the current reporting year
The performance measures established in FTA C 9070.1G for the Section 5310 program are as follows:

**Traditional Section 5310 Projects**

1. **Gaps in Service Filled.** Provision of transportation options that would not otherwise be available for seniors and individuals with disabilities measured in numbers of seniors and people with disabilities afforded mobility they would not have without program support as a result of traditional Section 5310 projects implemented in the current reporting year.

2. **Ridership.** Actual or estimated number of rides (as measured by one-way trips) provided annually for individuals with disabilities and seniors on Section 5310–supported vehicles and services as a result of traditional Section 5310 projects implemented in the current reporting year.

**Other Section 5310 Projects**

1. Increases or enhancements related to geographic coverage, service quality, and/or service times that impact availability of transportation services for seniors and individuals with disabilities as a result of other Section 5310 projects implemented in the current reporting year.

2. Additions or changes to physical infrastructure (e.g., transportation facilities, sidewalks, etc.), technology, and vehicles that impact availability of transportation services for seniors and individuals with disabilities as a result of other Section 5310 projects implemented in the current reporting year.

3. Actual or estimated number of rides (as measured by one-way trips) provided for seniors and individuals with disabilities as a result of other Section 5310 projects implemented in the current reporting year.

SANDAG reports annually to the FTA on these reporting measures on behalf of each subrecipient active during that federal fiscal year. Additionally, SANDAG has developed three performance indicators to monitor and report on the progress of JARC, New Freedom, Section 5310, and Senior Mini-Grant projects:

1. Cost per unit of service delivered

2. Cost per vehicle service hour (applicable only to operating projects)

3. Seat utilization measured as a percentage of available seats (applicable only to operating projects)

For the purposes of calculating these indicators, the total cost of the project is calculated as the amount of grant funding expended plus the required match amount, which creates an incentive for the grantee to leverage additional funding for the project through additional matching funds or fare revenue. Due to varying project types and service parameters, not all performance indicators are applicable to all projects. Only operating projects are evaluated based on all three of the performance indicators listed above. All projects, however, are evaluated based on cost per unit of service delivered.
Budget Tracking

SANDAG continually monitors the performance of individual grant projects by reviewing and processing invoices. As described in the Invoicing subsection of Chapter 3, Section 3.3, grantees are required to submit progress reports along with their invoices. SANDAG enters data provided in invoices and progress reports into an internal master budget tracking excel workbook. The workbook includes a separate spreadsheet for each individual grant project. These spreadsheets track a project’s expense reimbursement by task and by invoice, and additionally tracks the number of service units delivered through the project during each reporting period. The spreadsheets auto-calculate and track performance indicators, which can be compared with project deliverables as outlined in the project’s scope of work. A comparison between actual and proposed project deliverables assists SANDAG in assessing the relative health or success of the grant project.

SANDAG completes an Invoice Checklist (available as a grantee resource online at sandag.org/stgp) when processing each invoice. The purpose of the Invoice Checklist is not only to ensure that the submitted invoice includes all the required components, but also to highlight the performance of the grant project for that reporting period and cumulatively over the entire grant period to date.

Grant Status Update Reports

SANDAG staff report on the status of individual STGP grant projects to the Transportation Committee on a quarterly basis and to the Social Services Transportation Advisory Council on a semi-annual basis. Additionally, staff report on the status of TransNet Senior Mini-Grant projects (exclusively) to the ITOC on a quarterly basis. A quarterly grant status update report highlights the performance of all grant projects from each project’s start date through the last day of the previous quarter. For example, in April, following Quarter 3, the grant status update report provides performance data on the grant projects through the end of Quarter 2, or December 31. Table 5.1 lists the quarters within the fiscal year calendar.

<table>
<thead>
<tr>
<th>Table 5.1: Fiscal Year Calendar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarter 1</td>
</tr>
<tr>
<td>Quarter 2</td>
</tr>
<tr>
<td>Quarter 3</td>
</tr>
<tr>
<td>Quarter 4</td>
</tr>
</tbody>
</table>

The grant status update report lists all active grants within a given grant program and provides the following project details: contract number, grant period, contract award amount, proposed and actual units of service delivery, proposed and actual cost per unit of service, 130 percent of the proposed cost per unit of service, proposed and actual cost per vehicle service hour (if applicable), proposed and actual seat utilization (if applicable), actual total project cost expended to date, and percent of funding expended.

In addition, the report indicates whether a project has been put on a watch list. There are two watch lists that track the performance of individual grant projects. The intention of these watch lists is to alert the policy committees of projects that may require action should non-compliant performance continue. The first watch list, the “cost-efficiency watch list,” compares the project’s actual cost per unit of service delivered to the proposed cost per unit of service as outlined in the scope of work included in the grant agreement. As described in the Scope of Performance subsection in Chapter 3, Section 3.3, SANDAG requires grantees to achieve an
actual cost per unit of service within 130 percent of their proposed cost per unit of service. If a grantee is not able to achieve the 130 percent threshold by or at any point after the initial milestone (end of the sixth month of a two-year project), the grantee is required to complete a cost-efficiency recovery plan. The “cost-efficiency watch list” denotes grantees that may be required to complete a cost-efficiency recovery plan or may require the Transportation Committee to make a determination on continuing to fund the project if the grantee’s performance does not improve.

The second watch list, the “schedule watch list,” denotes those grantees that appear in danger of not being able to fully draw down on funds without requiring a time extension greater than six months, which must be considered by the Transportation Committee per Board Policy No. 035.

The grant status update report also includes a qualitative assessment by staff of each grant project and an indication of whether a grantee has a pending grant. Due to the operating nature of most specialized transportation grants, when a new grant is awarded to a grantee to continue a project for which they already have an existing grant, the start date of that new grant is delayed until the completion or termination of the existing grant for that same project.

5.2 Compliance Monitoring and Reporting

As the designated recipient of FTA funds, SANDAG is responsible for ensuring subrecipient compliance with federal requirements and regulations, as well as the compliance of any third-party contractor receiving funds through SANDAG grants. Additionally, as administrator of TransNet funds, SANDAG has an obligation to San Diego County taxpayers (and to the ITOC) to ensure efficient use of taxpayer money, which includes compliance with local, state, and federal laws, as applicable. SANDAG monitors grantees’ compliance with the terms of the grant agreement, including federal, state, and local provisions, through various procedures. Staff monitors compliance regularly with its continual interaction with grantees, and by using the Monitoring Checklist when performing scheduled site visits and desk reviews. The following sections discuss the Monitoring Checklist as well as site visit and desk review procedures, and additionally review areas of compliance for which SANDAG provides oversight.

Monitoring Checklist

SANDAG has developed a Monitoring Checklist, included in the appendix, to assist in the monitoring of grantees’ performance in implementing mobility management, operating, and contract service projects under the Specialized Transportation Grant Program. The checklist monitors grantee compliance with the terms of the grant agreement.

The Monitoring Checklist is used at site visits or during desk reviews to assess the performance of the grantees and during the competitive process to determine a past performance adjustment to the scores of applicants who have had a SANDAG grant in the past three years. The Monitoring Checklist has the following four sections:

1. Quantity of Service Delivered
2. Cost/Unit
3. Project Management
4. Summary and Identification of Deficiencies
Sections 1 and 2 provide a quantitative assessment of the grantees’ performance in operating their active project. Section 3 assesses the grantees’ technical capacity in implementing the project and their compliance with contract provisions. Section 4 summarizes the grantees’ overall performance, identifies deficiencies, and outlines corrective actions for deficiencies.

Section 1 “Quantity of Service Delivered” measures the grantee’s progress towards meeting service delivery goals. A grantee’s actual number of units of service delivered is compared to the proposed number of units of service delivered proportionate to the number of months the grantee has been operating the project at the time of the assessment. For example, if staff prepares the Monitoring Checklist for an initial site visit, the Monitoring Checklist will assess the grantee’s performance in operating the first six months of their two-year project or one-fourth of the project period. Thus, the proposed number of units of service will be divided by four to determine the number of units proposed to be delivered by the sixth month of the project. Grantees receive an adjustment (ranging from +0.5% to -2.5%) for the deviation between the actual and (proportionate) proposed number of units of service delivered. For example, a grantee would receive a -1.0% adjustment for having an actual cost per unit of service that is between 15 and 20 percent over the proposed cost per unit of service. Section 2 “Cost/Unit” measures the grantee’s cost-efficiency by calculating the actual cost per unit of service and comparing it to the proposed cost per unit of service. Like Section 1, grantees receive an adjustment (ranging from +0.5% to -2.5%) for the deviation (measured as a percentage) between their actual and proposed cost per unit of service.

SANDAG completes Section 3 by responding yes or no to 30 questions pertaining to the following areas: scope of performance, project management, insurance, cost principles/financial management, records, project schedule, invoicing and reporting, Title VI and ADA compliance, and outreach. The grantee receives an adjustment ranging from -5% to +1% depending on the number of affirmative responses recorded.

Section 4 allows SANDAG to review any “no” responses to questions in the Monitoring Checklist, identify compliance issues or other deficiencies, and determine appropriate follow-up actions. A compliance deficiency is an area in which the grantee is deficient in meeting its obligations under the grant agreement. Each deficiency will include a citation to the applicable section of the grant agreement.

At site visits or during desk reviews, SANDAG and the grantee review any compliance deficiencies identified through the Monitoring Checklist, and discuss corrective actions for these deficiencies. Grantees are required to submit a corrective action plan within ten (10) days of the site visit or desk review at which a deficiency or deficiencies were identified. Corrective action plans must include the steps the grantee will take to correct each deficiency and comply with grant provisions. Grantees must implement the corrective action(s) within 30 days of identification of the compliance deficiency. SANDAG staff works closely with grantees to ensure all compliance deficiencies are resolved in a timely manner and grantees comply with all provisions in the grant agreement. If a grantee does not take corrective action and come into compliance, SANDAG may terminate the grant agreement at its discretion.

Site Visits and Desk Reviews

SANDAG conducts either site visits or desk reviews for all grantees with operating, mobility management, or contract services projects in accordance with the Monitoring Checklist at the following intervals:

- Six months for new projects
- Annually for ongoing projects
Additional site visits or desk reviews may be scheduled on an as-needed basis. If a desk review is completed instead of an in-person site visit, SANDAG may request additional records from the grantee to accurately complete the Monitoring Checklist and substantiate any compliance issues found. For example, at an in-person site visit, SANDAG would visually inspect that a subrecipient’s Title VI Notice to the Public is posted in accordance with its Title VI plan. For a desk review, SANDAG would request that a subrecipient submit photographs showing its Title VI notice posted in accordance with its Title VI plan. Following the site visit or desk review, SANDAG reviews any compliance issues identified through the Monitoring Checklist and discusses opportunities for improvement with the grantee.

For all grantees with grant-funded vehicles, SANDAG conducts periodic site visits in accordance with the Vehicle and Other Equipment Inspection form. At the site visit, SANDAG uses the Vehicle and Other Equipment Inspection form (included in the appendix) to record potential issues and opportunities for improvement, validate that the vehicle or other capital equipment is being used in a manner consistent with the grant application submitted, and physically inspect the vehicle or equipment. SANDAG also examines the vehicle log and maintenance records during these inspections. The purpose of the vehicle inspection is to ensure the vehicle is in good working order and being used for the intended purpose(s); it is not a safety inspection.

Grant Compliance and Oversight

SANDAG performs extensive grant oversight to ensure the integrity of the grant programs, equitable distribution of benefit from these programs throughout the region, and adherence to all applicable federal, state, and local laws. SANDAG performs oversight as it pertains to all program requirements discussed in Chapter 3, Section 3.3. The following sections discuss in greater detail several areas in which SANDAG performs oversight to ensure compliance with grant terms and successful implementation of grant-funded projects.

Financial Oversight

Grantees receive federal pass-through or TransNet funding on a reimbursement basis. Multiple SANDAG staff from the Contracts and Grants Department as well as the Finance Department process and review invoices grantees submit prior to their payment.

SANDAG additionally monitors grantees’ financial management systems through site visits or desk reviews and the Monitoring Checklist. Using the Monitoring Checklist, SANDAG assesses the grantees’ performance in managing the project budget, which includes reimbursing for eligible expenses, submitting complete and accurate invoices, and drawing-down on grant funds in a timely manner. SANDAG also monitors matching funds and ensures the minimum required cumulative match percentage is maintained throughout the grant period. SANDAG verifies that matching funds are eligible. Grantees must use the methodologies for calculating in-kind contributions that they included in their original project application and indicate that project-generated revenue has been funneled back into the project and applied towards project expenses. Grantees are required to keep a separate set of accounts for the grant project, and agree to audits by SANDAG representatives or outside auditors, as applicable. SANDAG may view or request grantees’ financial records at site visits or desk reviews.

In the grant agreement for subrecipients of federal funds, SANDAG has described the conditions under which subrecipients are required to have a single audit conducted. If a subrecipient expends $750,000 or more in federal awards in a federal fiscal year, the subrecipient must have a single audit conducted in accordance with Office of Management and Budget (OMB) 2 CFR 200 unless the subrecipient elects to have a program-specific audit. If a single audit or program-specific audit is required, the subrecipient must submit audit findings, if any,
to SANDAG. SANDAG staff will verify any findings that relate to the JARC, New Freedom, or Section 5310 award and work closely with the subrecipient to ensure the audit finding is resolved in a timely manner.

**Technical Capacity**

SANDAG ensures the technical capacity of grantees through the competitive process prior to award of funding and through regular monitoring once funds have been awarded. As a part of their project proposals, applicants are required to describe their technical ability to implement and manage the project. For applicants with grant(s) active within the last three years, their performance in managing the grant(s) within the most recent twelve-month period is considered in the scoring of future applications. As previously mentioned, past-performance adjustments are derived from the following indicators on the Monitoring Checklist: actual versus proposed cost per unit of service delivered, actual versus proposed number of units of service delivered, and project management.

Once grant funds are awarded and grant agreements are executed, technical capacity is assessed on an ongoing basis through interaction with grantees, review of invoice packets and progress reports, and site visits or desk reviews. At site visits or through desk reviews, SANDAG staff reviews subrecipients staffing levels; staff training and experience; documentation of procedures; ability to submit required reports correctly and on time; ability to maintain project equipment; and ability to comply with all applicable local, state, and federal requirements. Board Policy No. 035, which outlines the SANDAG requirements for project milestones and completion deadlines, provides a procedure for requesting extensions of those deadlines. SANDAG may terminate the grant agreement if the grantee is unsuccessful at implementing the project as described in the scope of work in the grant agreement.

**FTA Compliance**

All applicable federal requirements are included in the grant agreements for subrecipients of funds through the former JARC and New Freedom programs and Section 5310 program. Additionally, FTA Standard Federal Provisions and Federal Provisions for the Section 5310 Program are attached as exhibits to the Section 5310 grant agreement to ensure that the subrecipient is aware of all FTA requirements. Compliance with FTA requirements and regulations is monitored on an ongoing basis through review of invoice packets and progress reports and through site visits or desk reviews. Through these monitoring procedures, SANDAG staff verifies that services delivered through federal grant programs continue to be eligible under those programs.

**Title VI Compliance**

Included in the grant agreement for all grantees are provisions that require grantees to comply with Title VI requirements. Only subrecipients of federal funds are required to submit Title VI plans and related documents. Subrecipients are required to submit the following documents to SANDAG prior to execution of a grant agreement:

- Title VI Plan
- Title VI Plan Resolution from Subrecipient’s Governing Body
- Certificate of Civil Rights Assurances
- Equal Employment Opportunity Certificate

SANDAG reviews subrecipients’ Title VI plans to ensure compliance with FTA C 4702.1 B “Title VI Requirements and Guidelines for Federal Transit Administration Recipients.” Staff uses a checklist to validate that all required
components are included in subrecipients’ Title VI plans. If federal requirements are not met through subrecipient Title VI plans, staff works with subrecipients to bring them into compliance. SANDAG notifies subrecipients that SANDAG has reviewed their Title VI plan and has verified that it meets federal requirements. Subrecipients’ Title VI plans and other related documents are stored and tracked electronically. SANDAG monitors scheduled updates to subrecipients’ Title VI plans (every three years) and submittal of other required forms and documents. SANDAG additionally tracks demographic data of clients served by the transportation programs of all grantees (subrecipients of federal funds and recipients of TransNet funds). Grantees are required to collect client demographic data annually and submit data to SANDAG. To this end, SANDAG has developed a Client Demographic Data Survey that grantees may use to collect this data. Tracking of this data allows SANDAG to verify the equitable distribution of services through the Specialized Transportation Grant Program.

SANDAG regularly monitors Title VI compliance of all grantees through site visits or desk reviews and the Monitoring Checklist. Grantees are required to inform SANDAG of any Title VI-related complaints in writing within 72 hours of receiving a complaint so that SANDAG can determine whether it needs to carry out its own investigation. Grantees also must inform SANDAG of any Title VI-related complaint that has resulted in an investigation or lawsuit against the grantee or that relates to their transportation program. SANDAG works closely with grantees to resolve all Title VI-related issues and follows up on the implementation of corrective actions through scheduled site visits and on a case-by-case basis as appropriate.

The success of the SANDAG oversight program is measured by the grantees’ ability to implement its Title VI program and other adopted procedures. At site visits or during desk reviews, SANDAG staff looks for or requests photographs of the posted Title VI notice to the public in the office, in vehicles, and on the subrecipient’s website. SANDAG also reviews materials that have been translated into other languages. Finally, SANDAG tracks low income and minority participation in the grant projects through the client demographic data provided by grantees and submitted to SANDAG annually.

**Americans with Disabilities Act of 1990 Compliance**

The grant agreement also includes provisions that require grantees to comply with requirements under the ADA. Grantees are required to inform SANDAG of any complaints alleging discrimination on the basis of disability by the grantee or third-party contractor. Board Policy No. 009: Discrimination Complaint Procedures outlines SANDAG procedures for tracking and resolving complaints alleging discrimination of any kind. The SANDAG Compliance Officer and ADA Coordinator is responsible for tracking ADA complaints and, with any other applicable SANDAG staff, working with grantees on a prompt and equitable resolution of ADA-related complaints.

SANDAG regularly monitors ADA compliance through site visits or desk reviews and the Monitoring Checklist. SANDAG assesses grantees’ training programs to ensure that grantee personnel (including volunteers) are trained proficiently as appropriate to their duties. Training may include CPR and First Aid training as well as sensitivity training. Grantees that use grant funds for vehicle procurement must purchase accessible vehicles. Accessible equipment, including ramps and lifts, are tested at vehicle audits to ensure the equipment continues to function properly. SANDAG also checks maintenance records as submitted by grantees in quarterly capital project progress reports and at vehicle audits to verify that all preventative and routine maintenance has occurred on time in accordance with the grantees’ vehicle maintenance plan.