




SUBRECIPIENT OVERSIGHT POLICY AND PROCEDURES

Policy Number	Responsible Department	Effective Date	Approval
COMP 1.01	Federal Programs and Compliance	December 19, 2025	

I. PURPOSE:

The Rhode Island Public Transit Authority (RIPTA) is Rhode Island's statewide transit agency and a direct recipient of federal funds from the Federal Transit Administration (FTA). RIPTA is the state-designated recipient of funding for certain FTA programs, including Section 5310, Section 5311 and Section 5339. RIPTA may, from time to time, pass through these FTA funds to subrecipients for administration of these federal programs. The purpose of this Policy is to establish formal procedures for RIPTA's effective management and monitoring of subawards to ensure that federal funds are used for authorized purposes, in compliance with applicable federal laws, regulations, and the terms and conditions of the federal award.

II. DEFINITIONS:

Certifications and Assurances (C&A's) – Certifications and assurances required by federal law or regulations for FTA programs that an applicant for or recipient of federal assistance under 49 U.S.C. chapter 53 must submit annually or as part of its application for federal assistance. The FTA is permitted to consolidate these certifications and assurances into a single document and publish it on the FTA website annually. They can be found here: <https://www.transit.dot.gov/funding/grantee-resources/certifications-and-assurances/certifications-assurances>

FTA Program – A program administered by the Federal Transit Administration that improve and expand public transportation. These programs may be formula or discretionary grant programs. Initiatives may include construction, purchase of rolling stock, provision of transportation service, training, or other federally-funded activity.

Pass-Through Entity – A non-federal entity that receives a federal award directly from a federal agency and then passes-through a portion of that federal funding to another entity, known as a subrecipient.

Subrecipient – A non-federal entity that receives a portion of a federal award (subaward) from a pass-through entity to carry out part of a federal program.

III. POLICY:

RIPTA passes through federal grant funds to a very limited number of subrecipients, usually under special circumstances.

RIPTA shall monitor the performance, compliance, and financial accountability of its subrecipients in meeting the FTA grant regulations detailed in the following documents:

- FTA Master Agreement (Master Agreement)
- FTA Certifications and Assurances (C&A's)
- 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)
- Applicable FTA Circulars such as C4220.1G, C5010.1F, C9040.1H, and C9070.1H, as amended
- RIPTA State Management Plan (SMP)

These regulatory requirements are summarized in the remaining pages of this document.

IV. SUBRECIPIENT OVERSIGHT PROCEDURES:

A. PRE-AWARD PROCEDURES

1. Risk Assessment

Prior to awarding a subaward to a subrecipient, RIPTA shall perform a risk assessment of the potential subrecipient to evaluate its capacity to manage the federal subaward. Factors considered may include the following:

- Prior experience with federal awards
- Prior audit findings
- Financial management and internal controls
- New personnel or substantially changed systems
- Complexity of the federal program or activity

2. Legal Capacity

RIPTA shall verify that the subrecipient has the legal authority to carry out the work being contracted and is legally eligible to receive and manage federal funds. RIPTA shall review the System of Award Management (SAM.gov) to verify that the subrecipient is not suspended or debarred from receiving federal funds. Obtaining a signed C&A from the subrecipient annually meets this requirement.

3. Lobbying

For subawards exceeding \$100,000, RIPTA shall obtain an OMB Standard Form LLL from the subrecipient for any lobbying event that should be reported. Obtaining a signed C&A from the subrecipient annually meets this requirement.

4. Certifications and Assurances

FTA C&A's shall be incorporated into Subrecipient Agreements and will be reviewed with subrecipients. Subrecipients shall sign these C&A's to acknowledge and confirm their understanding and compliance with these provisions every year.

5. Subrecipient Agreement

RIPTA shall enter into a written Subrecipient Agreement with each of its subrecipients. The Agreement shall include applicable Federal requirements and require the subrecipient to undertake responsibilities of the award usually performed by RIPTA, as direct recipient. The FTA requirements shall pass through to the subrecipient by incorporating the FTA Master Agreement by reference in every Subrecipient Agreement. This meets the requirement for inclusion of FTA-required clauses.

6. Grant Award Notice

Pursuant to 2 CFR Part 200, a Grant Award Notice (GAN) shall be generated with every Subrecipient Agreement. The GAN shall be in the form attached hereto as **Attachment A** and contains the following information:

- Subrecipient name (must match name associated with its unique entity identifier)
- Subrecipient's unique entity identifier (DUNS)
- Federal Award Identification Number (FAIN)
- Federal Award Date of award to the recipient by the Federal agency
- Subaward Period of Performance Start and End Date
- Subaward Budget Period Start and End Date
- Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient.
- Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current financial obligation
- Total Amount of the Federal Award committed to the subrecipient by the pass-through entity
- Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA)
- Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the pass-through entity
- Assistance Listings number and title; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement

- Identification of whether the award is research and development (R&D) (only required of R&D awards)
- Indirect cost rate for the Federal award (including if the application of the de minimis rate per section 200.414 Indirect (F&A) costs)

The GAN shall be an attachment to the Subrecipient Agreement and incorporated therein.

B. PERFORMANCE MONITORING PROCEDURES

1. Compliance Monitoring File

For each subrecipient, RIPTA shall keep a Compliance Monitoring File. This may be a file in addition to any subrecipient file kept by the Project Management Department or any other department, as applicable. The Compliance Monitoring File shall include a Subrecipient Compliance Checklist, attached hereto as **Attachment B**, and may also have the following:

- Subrecipient Agreement
- GAN
- C&A's
- SAM.gov information
- Lobbying form, as applicable
- TAM Plan, as applicable
- Compliance Monitoring Schedule, as applicable
- Quarterly (or other) reports, as applicable
- Other relevant documentation, as appropriate

2. Meetings

RIPTA shall conduct an initial visit with the subrecipient that will focus on the grant agreement and related requirements. All items within the grant agreement will be discussed to ensure subrecipients understand the requirements of the grant. A closeout site visit and interim visits, as warranted, will be conducted.

3. Milestone Reports and Performance Metrics

As applicable, subrecipients shall submit regular reports on their activities and budget. These reports may be monthly or quarterly, depending on the project. Specific reporting requirements will be detailed in the project award. Reimbursements will only be processed if all required reporting is up to date.

As applicable, subrecipients shall provide a work plan with specific activities, goals, and objectives for the project, and that ties these activities to the required performance measures. Subrecipients will be required to

submit regular reports that describe their progress implementing the workplan, including data addressing the performance measures

4. Satisfactory Continuing Control

All property acquired using federal funds shall be utilized and disposed of in accordance with applicable federal laws. Subrecipients of federal dollars administered by RIPTA are required to certify that any property purchased with those funds is used for the purpose as described in the Grant Award and Subrecipient Agreement, for the useful life of the equipment or facility.

5. Asset Management and Property Disposition

RIPTA retains title to all real property and capital equipment, including vehicles, purchased with federal assistance. RIPTA ensures that all facilities and equipment are used in transit service, in accordance with state and federal laws and procedures, and follows FTA procedures for disposing of federally funded capital property and equipment. Subrecipients are required to coordinate with RIPTA regarding the use and/or disposal of any federal asset.

6. National Transit Database (NTD) Reporting

As applicable, subrecipients will assist RIPTA in gathering and reporting data to NTD.

7. Complaints

RIPTA will monitor customer feedback regarding subrecipients by any appropriate means. Methods may include conducting periodic reviews of customer satisfaction data collected by subrecipients, soliciting comments and complaints through forms posted on the RIPTA website, or establishing formal complaint procedures specific to a particular subrecipient or program.

8. Program Closeout

As applicable, subrecipients will be required to submit a final program report within 90 days of project completion, showing that all grant activities are completed and the grant is ready to close. The final program report should include a detailed description of the project including program outcomes and, if applicable, quantitative data regarding the effectiveness of the program. The program report will detail how the program met the identified needs and the specific intentions of the grant award.

C. COMPLIANCE MONITORING

1. Half Fare

Any subrecipient providing fixed route service supported with Section 5307 assistance must follow applicable half fare requirements guidelines, ensuring that fares charged elderly persons, persons with disabilities or an

individual presenting a Medicare card during off peak hours will not be more than half the peak hour fare.

2. Vehicles

a. *Primary Use:* Vehicles must be used primarily to provide transportation to targeted population set forth in FTA Circulars. Subrecipients may also use the vehicles to perform other eligible activities while serving the general public or client populations or persons with disabilities in the community. RIPTA encourages subrecipients to coordinate with others in the area to receive the most efficient use of the vehicle within the federal rules.

b. *Minimum Use:* RIPTA does not have minimum use requirements for vehicles. RIPTA will regularly monitor the use of the vehicles and discusses the use of the vehicle during the vehicle inspection. RIPTA will contact the subrecipient if the vehicle is not being used as intended or has been otherwise used improperly.

c. *Maintenance:* Written transit asset management plans (TAM Plan) are required for all vehicles purchased with federal funds. This TAM Plan is attached hereto as **Attachment C**. These plans must meet or exceed the manufacturer's recommended maintenance schedule. Subrecipients must certify that the equipment or vehicles are maintained in accordance with detailed maintenance and inspection schedules as provided by the manufacturer. Subrecipients must keep federally funded equipment and facilities in a state of good repair and maintain ADA accessibility features. For equipment under warranty, subrecipients must have a system for identifying warranty claims, recording claims, and enforcing claims with the manufacturers. RIPTA shall review vehicle maintenance records and reserves the right to take possession of any vehicles for which RIPTA still holds title that is not maintained according to these standards.

d. *Insurance Requirements:* To comply with Rhode Island State Law, RIPTA requires subrecipients to furnish public liability and property damage insurance and to keep such insurance in force at all times. Such public liability insurance will provide for a minimum limit of not less than \$500,000 for damages from bodily injury or death and will name RIPTA as an additional named insured.

e. *License Requirements:* RIPTA requires that all drivers at a minimum meet appropriate licensure requirements, have an appropriate Driver's License or Commercial Driver's License (CDL), and successfully completed courses for defensive driving, passenger assistance, and sensitivity training (PASS), as applicable. Subrecipients must maintain a driver's file and make records available to RIPTA and FTA upon request. Mechanics driving vehicles designed to carry more than 16 persons, including the driver, are

also required to have a CDL, and subject to Drug and Alcohol testing requirements.

3. Americans with Disabilities Act (ADA)

a. *Civil Rights Requirements:* All subrecipients must comply with federal civil rights requirements including the federal protections for persons with disabilities:

- The Americans with Disabilities Act of 1990, as amended (ADA Act)
- Code of Federal Regulations Title 49 Parts 27, 37 and 38 (49 CFR)
- Section 504 of the Rehabilitation Act of 1973 as amended (504 Act)
- FTA Circular 4710.1, ADA Guidance

b. *Vehicles:* In prohibiting discrimination in the provision of transportation services against persons with disabilities, the ADA Act requires that vehicles purchased or leased after August 25, 1990, and new and altered facilities designed and constructed (as marked by the notice to proceed) after January 25, 1992, must comply with the applicable standards of accessibility in 49 CFR. RIPTA requires subrecipients to meet these accessibility standards.

c. *Monitoring:* RIPTA subrecipients also must meet accessibility standards with regard to the provision of equivalent services. The ADA Act provides that no organization may discriminate against an individual with a disability in connection with the provision of transportation service. RIPTA will utilize the following monitoring methods to ensure that subrecipients operating ADA paratransit services are in compliance:

- Review subrecipient's ADA-related policies
- Provide training, as needed, to ensure that subrecipients operate vehicles and equipment safely, assist passengers properly, and treat persons with disabilities who use the service in a respectful and courteous way, with appropriate attention to the differences among persons with disabilities. All contracts for ADA paratransit service will include mandatory driver training requirements. Training provisions must include requirements regarding curriculum, length of training period, resources, and assurances. Contracts must call for initial driver training and annual refresher trainings. Training programs must also include passenger assistance techniques and disability sensitivity modules.
- Employ surveys, checklists and interview forms, as well as follow-up correspondence to effectively document compliance. All documentation reflecting monitoring results is maintained as evidence of oversight.
- Maintain a record keeping system for monitoring on-time performance and tracking these indicators of capacity constraints. At any given time, RIPTA should be able to demonstrate that the denials it does have, as

well as the missed trips, late pickups, etc., are not an operational pattern or practice that significantly limits the availability of ADA paratransit service.

- Track ADA-eligible trips separately from non-eligible trips. Periodic reservation line calls must be conducted at various times of the day to determine if a caller can reach a reservation agent. If third-party contractors or subrecipients have communication systems that provide data on average call wait time, number of missed calls, call abandonment rates, and other indicators of performance, such data must be collected and reviewed to determine compliance.
- Monitor service capacity constraints and reviews no-show policies.
- Ensure that all subrecipient and third-party contractor vehicle accessibility features, such as wheelchair lifts, ramps, securement devices, signs, and communication equipment for persons with disabilities, be maintained and operational.

d. *Complaints:* RIPTA will require subrecipients to acknowledge that RIPTA may be contacted by anyone alleging discrimination in service or employment, including Section 504 and ADA, and that such complaints will be referred to the RIPTA Civil Rights Officer for investigation.

4. Construction or Renovation of Facilities

Subrecipients undertaking construction or renovation of facilities using FTA program funding are required to meet all applicable ADA and environmental requirements. RIPTA requests written and signed verification that all ADA and environmental requirements are met. The responsibility for the design of the project rests with the subrecipient and RIPTA may approve the project if local agreements and respective federal requirements are met. Title to the property is vested in the subrecipient. RIPTA may require verification of the use of the facility to ensure it is used for the purpose originally intended and authorized. RIPTA may choose to consult the relevant state departments (Transportation, Environmental Management, ADA) to review or prepare independent appraisals and associated activities.

Most projects and activities do not normally involve significant environmental impacts. Planning activities, technical studies, preliminary design work, program administration, operating assistance, and transit vehicle purchases have been determined to have minimal or no environmental impacts and require no environmental documentation.

5. Title VI

a. *Assurances:* All subrecipients are required to make assurances of compliance with Title VI to FTA as part of their grant submissions, and grant award notices. The appropriate civil rights clauses are included in grantee agreements. The checklist used during grantee reviews includes a section that verifies Title VI compliance.

b. *Complaints:* Subrecipients or third-party contractors should inform RIPTA of any Title VI complaints received within 48 hours after receiving the complaint. Should RIPTA receive a civil rights lawsuit or complaint involving a subrecipient, a file will be maintained that documents the date the legal matter is received, a summary of the action, and the status of the action. The subrecipient shall work with the RIPTA Civil Rights Officer, Legal Counsel, and FTA to make sure all legal requirements have been met in resolving the issue.

c. *Compliance:* The subrecipient or third-party contractor must ensure that no person shall, on the grounds of race, color, or national origin, be excluded from participating in, or be denied the benefits of, or be subject to discrimination under any program, or activity receiving Federal financial assistance. The subrecipient must ensure that federally supported transit services and related benefits are distributed in an equitable manner. Subrecipients and third-party contractors are responsible for ensuring that they comply with Title VI requirements, including notifying customers of their rights under Title VI, having Title VI complaint procedures, taking reasonable steps to ensure access to Limited English Proficiency (LEP) populations, and seeking out the viewpoints of minority and/or low-income and LEP populations when conducting public outreach and involvement activities. As applicable, revisions to Title VI Plans must be submitted to RIPTA within 30 days of FTA approval. Revisions are required every three years.

6. Drug & Alcohol

a. *Drug-Free Workplace Policy:* RIPTA has adopted a Drug-Free Workplace Policy and training program. Subrecipients and subcontractors are also required to comply with federal drug and alcohol requirements, as applicable. RIPTA annually certifies compliance with the Federal Drug-Free Workplace Requirements to FTA. Notices have been published and posted notifying employees of the requirements of the Drug-Free Workplace Act. As applicable, subrecipients are required to adopt and enforce a board-approved Drug Free Workplace Policy. RIPTA's Chief Human Resources Compliance Officer, in the Human Resources Department, monitors compliance of its subrecipients per the FTA Drug and Alcohol Testing regulations in 49 CFR Parts 40 and 655.

b. *Testing:* As applicable, subrecipients are required to adopt compliant drug and alcohol testing program policies and process that are approved by its board. RIPTA will maintain current copies of each subrecipient's board approved Drug and Alcohol Policies and Procedures and will review each provider annually to monitor for changes to policies or practices. Testing is required in the following situations:

- Pre-employment (for drugs only);
- Reasonable suspicion;
- Post-accident;
- Random;
- Return to duty; and
- Follow-up.

c. *Safety Sensitive Employees:* In addition, RIPTA may perform blind sample testing for their drug-testing program as a quality assurance measure for the testing laboratory being used. Employees affected by these regulations are those who perform "safety sensitive" functions within the transit agency including operators of revenue vehicles, CDL holders operating non-revenue vehicles, and mechanics maintaining revenue vehicles or equipment used in revenue service. RIPTA will monitor drug and alcohol testing programs to verify all safety sensitive personnel are involved in the program and that contractors meet FTA requirements.

d. *Compliance:* RIPTA requires its contractors to maintain records on Drug and Alcohol program administration and the test results of individuals for whom it has testing responsibility. RIPTA must take the following measures to monitor compliance with FTA requirements, 49 CFR Part 655 Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations, as amended, and 49 CFR Part 40 Procedures for Transportation Workplace Drug and Alcohol Testing Programs, as amended.

- RIPTA will maintain Drug and Alcohol program records in a secure location for a minimum of up to five (5) years.
- RIPTA will provide technical assistance in understanding and meeting the program requirements and overseeing the drug and alcohol programs of third-party contractors with safety-sensitive employees.
- RIPTA will review third-party contractor programs using standardized compliance checklists to ensure that all required elements are present and that the right type of testing is conducted, the proper forms are used and completed correctly, and records are stored in a secure location and maintained for the required amount of time.
- RIPTA will ensure the quality of testing services by establishing a written contract with each testing provider and verifying that the vendor is HHS certified.
- RIPTA will conduct periodic mock collections, hold annual site visits, investigate reports of flawed procedures, and document training aimed at correcting any deficiencies.

7. Equal Employment Opportunity (EEO)

a. *Assurances:* All subrecipients are required to make assurances of compliance with EEO regulations to FTA as part of its grant submissions.

Grant application guidelines list Assurances and require the applicant to sign a statement acknowledging that the Assurances may be modified and that the applicant complies and reasonably expects to comply with any modifications. Grant applicants are made aware they will be required to sign an Assurance of Compliance with Civil Rights Requirements at the time the written agreement to receive funds is executed. The appropriate civil rights clauses are included in grantee agreements. The checklist used during grantee reviews includes a section that verifies EEO compliance.

b. *Complaints:* Should RIPTA receive a Civil Rights lawsuit or complaint it will maintain a file documenting the date received, a summary of the action, and the status of the action. Staff will work with the RIPTA Civil Rights Officer, Legal Counsel, and FTA to make sure all legal requirements have been met in resolving the issue.

c. *Compliance:* Subrecipients must ensure that no person in the United States shall on the grounds of race, color, religion, national origin, sex, age, or disability be excluded from participating in, or denied the benefits of, or be subject to discrimination in employment under any project, program, or activity receiving Federal financial assistance under the Federal transit laws. Subrecipients that receive capital or operating assistance in excess of \$1 million or planning assistance in excess of \$250,000 and employ 50 or more transit related employees must submit to RIPTA an EEO plan. Program updates are due every three years.

d. *Construction Projects:* For construction projects, RIPTA will visit work sites, including contractor's offices or other central gathering points, to verify that Wage Rate Posters are visible for every worker to see. At least one site visit will be conducted, approximately one month after project start-up.

8. Department of Labor

RIPTA certifies to the Department of Labor that each subrecipient in the program of projects has agreed to the special warranty of employee protective arrangements. When subrecipients or contractors are selected to operate transit service, the operating agreements will require adherence to 49 U.S.C. Section 5333(b), Public Transit Employee Protections, as applicable.

9. Disadvantaged Business Enterprise (DBE)

a. *DBE Utilization:* RIPTA submits goals for utilization of DBEs on a triennial basis. RIPTA monitors the use of DBE firms and submits semiannual reports to FTA. RIPTA encourages the use of DBE firms whenever possible within the restrictions of existing purchasing requirements and purchasing contracts. RIPTA encourages subrecipients to use DBE firms whenever possible. The State maintains a directory of

Rhode Island-certified DBE firms, which is available to the public at <https://dedi.ri.gov/division-units/minority-business-enterprise-compliance-office/directory-search>. As applicable, subrecipients are required to semi-annually report purchases made from DBE vendors or provide a report of their good faith efforts to locate and purchase from DBE vendors.

b. *Assurances:* All subrecipients are required to make assurances of compliance with FTA DBE regulations as part of its grant submissions. Grant application guidelines list Assurances and require the applicant to sign a statement acknowledging that the Assurances may be modified and that the applicant complies and reasonable expects to comply with any modifications. Grant applicants are made aware they will be required to sign an Assurance of compliance with civil rights requirements at the time the written agreement to receive funds is executed. The appropriate civil rights clauses are included in grantee agreements. The checklist used during grantee reviews includes a section that verifies DBE compliance.

c. *Complaints:* Should RIPTA receive a civil rights lawsuit or complaint against a subrecipient, it will maintain a file documenting the date received, a summary of the action, and the status of the action. Staff will work with the RIPTA Civil Rights Officer, Legal Counsel, and FTA to make sure all legal requirements have been met in resolving the issue.

d. *Rolling Stock Procurements:* Subrecipients or third-party contractors shall require that, as a condition to bid on a transit vehicle procurement in which FTA funds are involved, each transit vehicle manufacturer (TVM) certify that it has complied with the requirements of 49 CFR section 26.49. RIPTA may, with FTA approval, establish project-specific goals for DBE participation in the procurement of transit vehicles that a manufacturer must meet (49 CFR section 26.49(d)). Subrecipients and contractors are required to include a provision in its bid specifications requiring the certification from TVMs as a condition of permission to bid. DBE reports are generated every 6 months.

e. *Construction:* Third-party contractors must comply with 49 CFR Part 26 to ensure nondiscrimination in the award and administration of federally funded contracts. Written DBE programs are required of subrecipients of planning, capital, and/or operating assistance that will have contracting opportunities (excluding transit vehicle purchases) exceeding \$250,000 with those funds in a Federal fiscal year. Subrecipients are required to follow their approved DBE programs, and such programs need to be updated when significant changes occur. Subrecipients and prime contractors must have a contract clause that requires prime contractors to pay subcontractors for satisfactory performance of their contract work no later than 30 days from receipt of payment for such work from the subrecipient. Subrecipients and prime contractors must have a process to monitor contractors for

compliance with applicable DBE requirements. DBE reports are generated every 6 months.

10. Buy America

a. General: RIPTA requires subrecipients to comply with Buy America requirements when the purchase price of vehicles exceeds \$100,000. Specific language is contained in the grant agreement and in the certifications and assurances acknowledged by the subrecipient.

A checklist is provided for the applicant to follow which includes information to be included in the Request for Bids and in the Contract. RIPTA reviews each step of the procurement process and all associated documents to ensure the subrecipient complies with the Buy America provisions when required. Should the purchase of a vehicle fall below the small purchase threshold, the subrecipient is required to complete a certification stating the procurement is exempt from the requirement.

b. Buy America Pre-Award and Post-Delivery Audits: Per 49 CFR part 663, a subrecipient or third-party contractor that purchases rolling stock for transportation of passengers in revenue service must conduct, or cause to be conducted, a pre-award audit before entering into a formal contract for the purchase of rolling stock, and certify that a post-delivery audit is complete before title to the rolling stock is transferred to the subrecipient, or the rolling stock is put into revenue service, whichever occurs first. Pre-award and post-delivery audits verify the accuracy of the Buy America certification, purchaser's requirements certification, and certification of compliance with, or inapplicability of, the Federal Motor Vehicle Safety Standards in 49 CFR part 571.

c. Buy America (Construction): A review of the construction area and the contractor's on-site yard to verify that foreign iron and steel products are not being incorporated into the project without resident engineer's approval or a FTA waiver will be completed. This review will be done at least quarterly.

11. Davis-Bacon Act

Construction: Spot checks of construction logs/diaries against certified payrolls will be conducted to confirm compliance with the Davis-Bacon Act (D-B Act). The D-B Act requires construction workers on federally funded project to be paid at least the local prevailing wage and fringe benefits. These checks will occur within three months after start of construction and quarterly thereafter.

12. Progress Payments

Construction: Spot checks that source documents supporting progress payments made to the contractor are available upon request. These checks

will begin after the first two progress payments are made to the contractor.

13. Procurement

a. General: RIPTA will ensure that all procurements comply with FTA standards outlined in FTA Circular 4220.1G. RIPTA reviews all bid documents and specifications for compliance. Subrecipients must acknowledge FTA regulations and procedures when they sign the grant agreement. Subrecipients under FTA programs procure equipment and services with RIPTA oversight and according to state procurement standards. RIPTA's Purchasing Department also reviews the consultation agreements to ensure overall state and U.S. DOT requirements are met. RIPTA will assist and review all bid documents, providing technical assistance and oversight at each step to ensure purchases are made competitively, that the required language is included in the bid documents, and the bid process is in compliance with federal procurement policies. If a subrecipient is not equipped to handle a compliant procurement, RIPTA may elect to run the procurement itself on behalf of the subrecipient.

b. Uniform Guidance: Subrecipients that are public entities shall follow the Uniform Guidance. In addition, subrecipients must also comply with the following requirements:

- Provide for full and open competition
- Exclude the use of in-state or local geographic preference
- Do not enter any contract for rolling stock with a period of performance exceeding five years, exclusive of options, without FTA approval
- Ensure that purchase orders and contracts executed using federal funds include all required clauses
- Use competitive procurement procedures when contracting for architectural and engineering services.

c. Circular 4220.1G: Subrecipients that are nonprofit agencies that contract with outside sources under FTA assistance programs shall follow FTA Circular 4220.1G. In addition, subrecipients must also comply with the following requirements:

- Maintain a written code of conduct governing the employees who engage in the award and administration of contracts
- Have written selection procedures
- Use the appropriate method of procurement
- Ensure the most economic and efficient purchase
- Develop an independent cost estimate
- Make awards only to responsible contractors who will perform the project under the defined terms and conditions
- Use competitive selection processes
- Conduct and document a price analysis for each procurement

- Have written protest procedures
- Maintain contract administration
- Maintain a complete record of procurement history

d. *Buy America:* Subrecipients may elect to purchase vehicles independently while staying in compliance with RIPTA oversight of the grantee capital purchase process. Subrecipients are required to include a “Buy America” provision and certification with their bidding documents for vehicles. Additional details of federal procurement requirements are in FTA’s Best Practices Procurement Manual.

e. *Checklist:* RIPTA has prepared a checklist to assure compliance with FTA’s pre-award audit requirements. The checklist addresses “Buy America”, Federal Motor Vehicle Safety Standards, Bus Testing, and the grantees own specifications. Subrecipients are required to verify certified information on the checklist during the visit at the manufacturer’s factory. RIPTA has a checklist for the grantee’s use in the post-delivery inspection of all vehicles. A copy of the completed checklists must be included with the request for reimbursement.

f. *Full and Open Competition:* All procurements must be conducted to provide full and open competition to any firm choosing to register with the state. Subrecipients must comply with DBE requirements previously described above.

g. *Quality Control:* RIPTA has an ongoing process to assure quality control. Some of the steps in the process are:

- Specifications developed or reviewed by RIPTA’s Maintenance Department
- Evaluation of bids by Maintenance, Operations, and Procurement sections of RIPTA
- A pre-bid conference
- Award of the contract to the lowest responsive bidder
- A pre-production meeting at the assembly plant
- On-line inspections at the assembly plant
- Vehicle road tests at the factory
- Inspection of the vehicles using a checklist before final acceptance, and
- Placement of vehicles into service only after final acceptance.

h. *Equipment:* For purchase of equipment awards, RIPTA will schedule post-delivery inspections and may conduct vehicle inspections as needed and described in subrecipient agreements.

i. *Debarment and Suspension:* Each subrecipient is required to certify in the grant agreement that the organization and its principals meet the

standards for debarment, suspension, ineligibility, and voluntary exclusions. RIPTA also requires subrecipients to include language in any bids requiring any bidder to disclose whether they have been debarred or suspended from doing business with the federal government.

RIPTA will not enter into any third-party contracts or grant agreements with any party included in the U.S. General Services Administration's list of parties excluded from federal procurement or non-procurement programs. Subrecipients that receive more than \$25,000 from RIPTA must certify that they are not debarred or suspended from any federal agency.

j. *Lobbying:* Recipients of federal grants and contracts exceeding \$100,000 must certify compliance with the restriction on lobbying before they can receive funds. Subrecipients are required to submit the appropriate federal forms acknowledging the activity. Subrecipients are required to certify that no federal funds have been or will be paid to any person influencing or attempting to influence any member of Congress, congressional staff or officers, federal agency officers or employees pertaining to federal assistance agreements. All bids for equipment prepared by these subrecipients are required to contain this certification as well.

Subrecipients are responsible for:

- Signing a certification of compliance pertaining to lobbying activities.
- Where third party contractors are involved, subrecipients must obtain a certification of compliance from the contractor.
- If the subrecipient receives more than \$100,000 in federal grants, the subrecipient must complete and submit a Form LLL to RIPTA for qualifying lobbying activities.
- If the subrecipient contracts with an outside agency and that contractor received more than \$100,000 in federal funds and used non-federal funds to support lobbying, the subrecipient must obtain a completed Form LLL from the contractor and submit it to RIPTA.

14. Charter Rule

RIPTA does not provide charter service. RIPTA includes information about the restrictions on charters in all grant agreements. RIPTA requires all subrecipients to abide by the conditions prohibiting the use of FTA-funded equipment or facilities to provide charter services except under special limited exemptions as outlined in 49 CFR Part 604, Charter Service. RIPTA reviews subrecipient records to verify no noncompliant charter activity has occurred and submits the charter bus agreement and assurance on behalf of subrecipients as part of the annual FTA Certifications and Assurances.

15. School Transportation Prohibition

Section 5323(f) of the Federal Transit Act places limits on school bus

services that may be provided by federally funded transportation operators. Subrecipients are restricted from using FTA funds or equipment to provide exclusive school busing operations. Subrecipients agree to abide by the conditions prohibiting use of FTA funded buses, facilities, or equipment to engage in school bus operations for the exclusive transportation of school students, personnel, and equipment. The only exception to this general prohibition is if the service being provided is tripper service, which is defined as regularly scheduled mass transportation service that is open to the public and designed or modified to accommodate the needs of school students and personnel, using various fare collection or subsidy systems. For service to qualify as tripper service:

- Buses must be clearly marked as open to the public
- Buses may stop only at regularly scheduled stops
- Trips must be listed as part of regular route service as indicated in published route schedules.

D. FINANCIAL MONITORING

1. Local Match Source

Subrecipients are required to provide local matching funds to support their projects. RIPTA follows the federal rules for eligible assistance categories and setting local match requirements and does not impose any further restrictions on the use of funds. RIPTA does not restrict the source of the local funding share, provided such funding does not restrict the use of the equipment or stipulate legal ownership of the equipment by anyone other than the recipient. US Department of Transportation (USDOT) funding cannot be used as match for these programs. Other federal funding may be used as match only if authorized by that federal funding program.

Up to 50% of the matching funds may be made up of non-USDOT federal support. Income from contracts to provide human service transportation may be used either to reduce the net project cost (treated as revenue) or to provide local match. In either case, the cost of providing a contract service is included in the total project cost.

Local funds may come from state or local appropriations, dedicated tax revenues, private donations, and net income generated from advertising and concessions. Non-cash match including donations, volunteered services, or in-kind contributions are eligible to be counted as local match only if the value of each is formally documented and supported and represent a reasonable cost which would otherwise be eligible under the project. Non-cash match is not allowed for capital purchases.

Funds received by subrecipients for purchase of service agreements or other agreements with state or local human service agencies or private

human service organizations or subcontracting brokerage may be treated as local funds even when the original source of the funds was a federal program.

2. Local Match Percentage Requirements

a. Capital Costs: The local share for the purchase of capital equipment is 20% of the purchase price, excluding any sales tax. FTA funds cannot be used to pay sales tax. Any sales tax must be paid solely by the subrecipient, in addition to the 20% local share. Non-cash match is not allowed for capital purchases.

b. Preventive Maintenance: Preventive maintenance costs are considered capital under FTA guidelines when specifically accounted for as such in subrecipient records. The costs of preventive maintenance are considered an eligible capital cost with a local match rate limited to 20 percent and a federal share of 80 percent.

c. Operations: Subrecipients are allowed to use funds from other federal programs as the local match. The non-USDOT source of the local match for operating assistance must comply with the Federal Transit Act and amendments, which permits the use of federal funds received from a state human service agency such as Medicaid and Title IIIB. Section 5316 and Section 5317 funds may be used to finance operating expenses. The local share of eligible operating costs shall be no less than 50 percent of the net operating costs (gross expense less fares).

d. Other Projects: The local share for capital projects to provide transit facilities for bicycles or for the incremental costs of vehicle related equipment to comply with the ADA may be funded with a 90 percent federal and 10 percent local match. Only the incremental costs of the project are eligible at this match rate. Eligible projects include, but are not limited to, bicycle racks, equipment to transport bicycles, retrofit of vehicles, and renovation of facilities to meet ADA standards.

3. Budget Revisions

RIPTA will allow a subrecipient to revise its budget within the original scope of work and will develop a budget modification to the grant agreement to reflect these changes. As applicable and required, these changes are included as part of the annual report process to FTA. Should a subrecipient request a budget modification or change to the scope of work that materially affects the awarded grant, RIPTA would be required to request approval from the FTA Technical Assistance Center and notify FTA prior to approving such a change. Such approvals can take several weeks or longer to complete. FTA must be consulted if the requested change is over \$250,000 or 10 percent of the total program of projects. A subrecipient cannot move forward with changes to the budget or scope without written approval. Work

completed without approval may not be reimbursed and may be cause for termination of the project. If there are serious questions about the subrecipient's ability to carry out the proposed or awarded project or ability to comply with FTA rules, the project may be suspended for investigation or negotiation or be terminated. A subrecipient that has a project terminated due to non-compliance or inability to carry out the project may be required to return any FTA funds that were previously reimbursed on the project.

4. Audits

a. *Annual Audit:* Subrecipients must submit a copy of any annual audit regarding funds expended under current subrecipient agreements. These audits must include a copy of the management letter and any other reports that accompany the annual audit. They must maintain grant records for three years after a project is completed.

b. *\$750,000 Federal Threshold:* Subrecipients receiving more than \$750,000 from all federal sources in a fiscal year are required to have audits conducted in accordance with the Uniform Guidance. Subrecipients are instructed to have the auditor conduct a review of compliance with FTA regulations as part of the annual audit for the period during which FTA funds are expended.

c. *Submission:* Subrecipients are instructed to have their audit firm send a copy of the audit directly to RIPTA. Subrecipients must have their Board approve the audit at the next Board meeting and must send a copy of the minutes to RIPTA. If the audit identifies any findings the subrecipient must submit a corrective action plan to RIPTA with a timeline to correct the findings. A copy of the most recent audit must be maintained with the grant application and subrecipient agreement. In addition, RIPTA may conduct on-site financial reviews of all subrecipients, as deemed necessary.

5. Subrecipient Internal Controls

RIPTA strives to have no more than three years of open grants. RIPTA will actively work with subrecipients to utilize the funds in a timely fashion so grants can be closed within the three-year period.

6. Payment Procedures

In order to receive reimbursement of project expenses, subrecipients of FTA funding must provide appropriate documentation of project activity and revenues and expenditures on a quarterly basis. RIPTA reviews these quarterly reports, verifies funds used for match, and makes payments to subrecipients on a reimbursement basis. RIPTA shall distribute funds to subrecipients within three days of receipt from FTA, as required.

7. Financial Closeout

The final financial report must be submitted within 90 days of project completion or expiration of funding, and should be clearly identified as final. All expenditure obligations must be paid prior to filing the final report, which

must show that all expenditures associated with the grant are completed and the grant is ready to close. If extra funds remain in the grant, RIPTA will contact the grantee to ascertain if there will be more claims submitted. If the subrecipient is unable to use all funds in a grant, RIPTA will reconcile and de-obligate remaining funds in the grant and will return the remaining funds to the FTA or other applicable grant making body.

8. Records Retention The subrecipient will be required to maintain all books, documents, payroll documentation, accounting records, and other evidence pertaining to costs incurred under a federal grant awards during the period of the grant and for three years thereafter. RIPTA notifies subrecipients when grants are closed and informs them of the requirement for records retention. These records must be available for inspection by any authorized representatives of RIPTA or the FTA.

V. ATTACHMENTS

Attachment A - GRANT AWARD NOTICE

Attachment B - SUBRECIPIENT COMPLIANCE CHECKLIST

Attachment C - TRANSIT ASSET MANAGEMENT PLAN

ATTACHMENT A:

GRANT AWARD NOTICE

14. Incorporated Attachments. This agreement includes the following attachments, incorporated herein and made a part hereof:

1. GAN, 2. MOU, 3. Certifications & Assurances, 4. TAM Plan

15. Remarks:

GRANTEE ACCEPTANCE	AGENCY APPROVAL
16. Name and Title of Authorized Grantee Official:	17. Name and Title of Authorized RIPTA Official: Christopher Durand, CEO
16A. Signature Of Authorized Grantee Official:	17A. Signature Of Authorized RIPTA Official:
16B. Date:	17B. Date:
<p>This award is based on an application submitted to, and as approved by RIPTA. is on the above-titled project and is subject to the terms and conditions incorporated either directly or by reference in the following: a. The legislation for the grant program cited above. b. The regulations for the grant program cited above. c. This award notice includes terms and conditions noted under section 11 or 12. In the event there are conflicting or otherwise inconsistent policies applicable to the grant, the above order of precedence shall prevail. Acceptance of the grant terms and conditions is acknowledged by the grantee.</p>	

ATTACHMENT B:

SUBRECIPIENT COMPLIANCE CHECKLIST

Subrecipient Compliance Checklist

Subrecipient: _____

Project Type: _____

Project Name/Bid No./PO: _____

Type of Monitoring	Transportation	Construction	Rolling Stock	Other	Frequency (ex. quarterly)
Performance					
Legal Capacity					SAM
Certifications and Assurances (C&A)					Submit with Subrecipient Agreement
Meeting Goals of Agreement					Site Visits and/or periodic meetings
Quarterly Milestone Reports					See Form attached to Subrecipient Agreement
Satisfactory Continuing Control					Site Visits and/or periodic meetings
Asset Management/Property Disposition					Site Visits and/or periodic meetings; C&A
Performance Metrics					See MOU
NTD Reporting					
Complaint Procedures					Submit with Subrecipient Agreement
90 Day Closeout					
Compliance					
Half Fare					revenue service
Maintenance					see TAM Plan of SubR Agreement
Vehicle Use					see TAM Plan of SubR Agreement
Americans with Disabilities Act (ADA)					C&A
Construction/Renovation of Facilities					See SubR Agreement
Title VI					Submit Title VI Plan or adopt RIPTA Plan
Drug & Alcohol					C&A
Equal Employment Opportunity (EEO)					C&A
Department of Labor					revenue service
Disadvantaged Business Enterprise (DBE)					DBE Verification Log with each Invoice; C&A
Disadvantaged Business Enterprise (DBE) (Rolling Stock Procurement)					TVM reporting
Disadvantaged Business Enterprise (DBE) (Construction)					DBE Verification Log with each Invoice; C&A
Buy America					C&A; SubR Agreement for vehicle procurement
Buy America (Pre-Award and Post Delivery Audits)					C&A; SubR Agreement for vehicle procurement
Buy America (Construction)					Quarterly check via site visit; C&A; SubR Agreement
Davis Bacon					spot check logs/payroll; 3 months after construction begins then quarterly; C&A; SubR Agreement
Progress Payments (Construction)					monitor supporting source docs; C&A; SubR Agreement
Procurement					ensure compliance with FTA reqs; C&A; MOU for vehicle procurement
Debarment and Suspension					C&A
Lobbying Certification and Form LLL					> \$100K federal grants, C&A, if lobbying, Form LLL quarterly

Charter Rule					C&A
School Transportation Prohibition					C&A; SubR Agreement
Financial					
Local Match Source					See SubR Agreement
Local Match Percentage Requirements					See SubR Agreement
Federal Funding Accountability and Transparency Act (FFATA) Compliance					Report on Subaward Reporting System (FSRS) if subaward >= \$30K
Federal Financial Reports (FFRs)					Quarterly reports submitted to PMS
Budget Revisions					See MOU; progress reports; FTA consult if change over \$250K or 10% of total program
A-133 and Other Audits					Annual if project over \$500K; copy directly to RIPTA
Subrecipient Internal Controls					RIPTA goal to close grants within 3 years.
Payment Procedures					See SubR; quarterly activity/revenue/expenditure reports
Financial Closeout					submit within 90 days of project completion
Records Retention					3 years after grant closed

Subrecipient Compliance Checklist

Subrecipient: _____

Project Type: _____

Project Name/Bid No./PO: _____

	Transportation	Construction	Rolling Stock	Other	Frequency (ex. quarterly)
Type of Monitoring					
Performance					
Legal Capacity					SAM
Certifications and Assurances (C&A)					Submit with Subrecipient Agreement
Meeting Goals of Agreement					Site Visits and/or periodic meetings
Quarterly Milestone Reports					See Form attached to Subrecipient Agreement
Satisfactory Continuing Control					Site Visits and/or periodic meetings
Asset Management/Property Disposition					Site Visits and/or periodic meetings; C&A
Performance Metrics					See MOU
NTD Reporting					
Complaint Procedures					Submit with Subrecipient Agreement
90 Day Closeout					
Compliance					
Half Fare					revenue service
Maintenance					see TAM Plan of SubR Agreement
Vehicle Use					see TAM Plan of SubR Agreement
Americans with Disabilities Act (ADA)					C&A
Construction/Renovation of Facilities					See SubR Agreement
Title VI					Submit Title VI Plan or adopt RIPTA Plan
Drug & Alcohol					C&A
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Disadvantaged Business Enterprise (DBE)					DBE Verification Log with each Invoice; C&A
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