



# Arizona Department of Transportation Multimodal Planning Division

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Governor

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Eric Anderson  
Transportation Director  
Maricopa Association of Governments  
302 North 1<sup>st</sup> Avenue  
Phoenix, AZ 85003

Dear Mr. Anderson,

The Federal transportation bill, Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21), requires the designation of a recipient for the urbanized area funds under the Federal Transit Administration (FTA) Section 5310, Enhanced Mobility of Seniors and Individuals with Disabilities grant program. This designation shall be made by the governor in consultation with responsible local officials and publicly owned operators of public transportation. After receiving FTA guidance, it is the understanding of the Arizona Department of Transportation (ADOT) that the current Section 5310 designation is in effect until such a time it is officially changed by the governor and FTA is notified.

Per the Federal Register, Vol. 77, No. 200, October 16, 2012,

*In urbanized areas over 200,000 in population, the recipient charged with administering the section 5310 Program must be officially designated through a process consistent with sections 5303 and 5304 prior to grant award. The MPO, State, or another public agency may be a preferred choice based on local circumstances. The designation of a recipient shall be made by the governor in consultation with responsible local officials and publicly owned operators of public transportation, as required in sections 5303 and 5304. As such, FTA asks that in the large urbanized areas, the MPO initiate the process for designating a 5310 Designated Recipient as soon as possible. Funds cannot be awarded until this designation is on file with the FTA Regional office. A State agency could be designated as the recipient of 5310 funds for a large urbanized area. However, if the State is selected as the designated recipient in a large urbanized area, the apportioned funds for the large urbanized area must be allocated to agencies within the urbanized area.*

*Designated recipients are responsible for administering the program. Responsibilities include: Notifying eligible local entities of funding availability; developing project selection processes; determining project eligibility; developing the program of projects; and ensuring that all sub recipients comply with Federal requirements.*

It is our recommendation that the State of Arizona, Department of Transportation, remain the designated recipient (DR) and continue to administer the urbanized area (Phoenix & Tucson) Section 5310 apportionment of funding for the duration of the MAP-21 legislation, which is currently set at two years, to include Federal Fiscal Years 2013 and 2014. At the end of this legislation, we encourage the process

to have the DR status re-evaluated. ADOT's recommendation comes after consultation with the Cities of Phoenix and Tucson, Maricopa Association of Governments (MAG), and Pima Association of Governments (PAG).

The State of Arizona (ADOT) is currently the DR for FTA Sections 5303, 5304, 5307, 5310, and 5311 programs. We believe that ADOT has the organizational infrastructure and capacity to provide the best customer service for the subrecipients in Arizona and to fulfill the FTA grant management requirements. FTA places a great emphasis on program management and requires the DR to have a management plan, as well as sufficient procedures for grant, financial, and asset management, in place. ADOT recently updated its State Management Plan and it is published on our website: [http://mpd.azdot.gov/transit\\_programs\\_grants/Section5310.asp](http://mpd.azdot.gov/transit_programs_grants/Section5310.asp)

Below are some of the highlights of ADOT's ongoing management efforts.

#### **Grant Management:**

- ADOT recently invested in a web based grant management system. The system is being developed by Intellegants and is currently being used in several other states, including DOT organizations managing FTA grant programs. There are many benefits to the system that include allowing ADOT to provide a systematic, streamlined, and user friendly approach for subrecipients to access and manage grant funding. Subrecipient profiles, applications, invoicing, progress reports, and vehicle information will be processed and maintained in the system. ADOT is preparing to call for Section 5310 applications for FFY 2013 funding in March through the new software.
- ADOT has taken more control over the application and grant award process. Previously much of the responsibility for evaluation of awards was left to the regions, and each region evaluated applications differently. ADOT will implement a process in FFY 2013 that will standardize evaluation processes across regions based on priorities of ADOT, which include efficient use of funds and vehicles, and coordination of services. A revised application was also introduced in FY 2012, and will be further refined based on MAP 21 requirements in FY 2013.
- ADOT is scheduled to conduct 50 compliance site visits to subrecipient agencies in FFY 2013. This oversight function is required by FTA. ADOT plans on hiring one FTE in 2013 dedicated to training and subrecipient compliance.

#### **Financial Management:**

- ADOT has dedicated staff and has a process in place to pay grant invoices from subrecipients in an expeditious manner. Invoices for grant payments are usually processed and paid in thirty days or less, with minimal extraneous requirements for the subrecipient. Financial Management will be further enhanced by the use of the Intelligrants software, which houses all the information needed for the monthly or quarterly reimbursement in one location and provides additional tools for managing grant balances, ensuring timely use of grant funds and closeout of grants, which FTA requires.

## **Vehicle Management:**

- ADOT Equipment Services currently performs both an initial inspection of all FTA funded vehicles and annual inspections throughout a FTA funded vehicle's useful life. This level of oversight is unmatched in comparison with other states.
- ADOT has introduced a strict new policy in regards to lien releases and federal interest. The first revised lien and federal interest policy bases useful life of vehicles on mileage, not age. This is in response to the growing number of vehicle awards released at a certain age that have been underutilized.

ADOT has the policies, procedures, staff, and experience to perform the administrative responsibilities as required by FTA and should remain the designated recipient for the FTA Section 5310 program in the urbanized areas. ADOT's goal is to provide continuity to current and future subrecipients, so that these agencies can focus on their primary goals and objectives, which is to provide needed transportation service to underserved areas in Arizona.

Thank you for consideration of our recommendation.

Sincerely,



Mike Normand  
Director, Transit Programs  
Arizona Department of Transportation

cc. Teri Kennedy  
Joanne McLaughlin  
Wendy Miller  
DeDe Gaisthea  
Eileen Yazzie  
Kenneth Kessler