

DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION

JUSTIFICATION STATEMENT

**49 U.S.C. SECTIONS 5337
STATE OF GOOD REPAIR PROGRAM
(OMB# 2132-05770)**

ABSTRACT

This supporting statement is associated with a request for an extension of a currently approved information collection without change. The State of Good Repair Program (5337) was unchanged with the passing of the Fixing America's Surface Transportation Act (FAST). In addition, the number of applicants and reporting requirements remain the same due to the number of eligible recipients with fixed guideway systems.

1. CIRCUMSTANCES THAT MAKE THE COLLECTION NECESSARY.

49 U.S.C. Section 5337, State of Good Repair Grants Program was a new formula-based program first authorized under MAP-21 and was re-authorized under the Fixing America's Surface Transportation Act (FAST). This program provides financial assistance to public transit agencies that operate rail fixed-guideway and high-intensity motorbus systems for the maintenance, replacement, and rehabilitation of capital assets, along with the development and implementation of transit asset management plans. These funds reflect a commitment to ensuring that public transit operates safely, efficiently, reliably, and sustainably so that communities can offer balanced transportation choices that help to improve mobility, reduce congestion, and encourage economic development. Eligible recipients include state and local government authorities in urbanized areas with intensity fixed guideway systems and/or intensity motorbus systems operating at least seven years. Projects are funded at 80 percent federal with a 20 percent local match requirement by statute. The Federal Transit Administration (FTA) will apportion funds to designated recipients.

The provision of 49 U.S.C. Sections 5337, State of Good Repair Grants Program, 49 CFR Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (the Common Grant Rule), and prudent administration of federal grant funds dictate that grantor agencies review applications for federal assistance to assure eligibility of the grantee and the project activities and other criteria, as appropriate, and monitor approved projects to ensure timely expenditure of federal funds by grant recipients.

The information collected under this program is structured to comply with federal mandates. The reporting requirements are submitted by recipients in two stages, the application stage and project management stage. The information submitted ensures FTA's compliance with applicable federal laws.

Application Stage

FTA must determine the applicant's eligibility to receive program funds. FTA must know: a) who the applicant is; b) for what purpose the funds are requested; and c) the amount of federal funds requested or needed. FTA has issued FTA Circular 5300.1 detailing the application instructions. Applicants must submit:

- a. Authorizing Resolution. As required by 49 U.S.C. 1602 (a)(2)(A), this information is necessary to assure FTA that the individuals involved represent the organization seeking federal assistance and are empowered to enter into contracts on the organization's behalf.
- b. Opinion of Counsel. Also required by 49 U.S.C.1602(a)(2)(A) to ensure that the applicant has the legal capacity to carry out the project and that there is no outstanding litigation that would encumber the federal government upon project approval.

In addition, each application must include:

- c. Project Budget. FTA must know how much federal financial assistance is required, the amount and sources of local funds available for this project, and the specific elements and associated costs for each.
- d. Project Description. State of Good Repair Grants are limited to specific categories of transit projects. The project description enables FTA to determine whether funding of the proposed project is allowable under federal transit law and the Common Grant Rule.
- e. Project Milestone Schedule. This document consists of milestone dates for major activities and an overall project completion date. Milestone dates are provided for such events as bid advertisement, bid award, and contract completion.
- f. List of Labor Unions. This document is used by the Department of Labor in making the certification of labor protective arrangements required for grants funded under Sections 5337 in statutory language at Title 49 U.S.C. at Section 5333(b).
- g. Environmental Exhibit. This documentation includes a proposed classification of each activity line item in accordance with the Federal Highway Administration (FHWA)/FTA Environmental Impact and Related Procedures, as required by 23 C.F.R. Parts 771.115 and 771.117. Many projects meet the criteria for a categorical exclusion. For each of these projects, proposed classifications and supporting documentation must be submitted. For those projects that do not meet the criteria for a categorical exclusion, an Environmental Assessment or Environmental Impact Statement may need to be submitted as required by the National Environmental Policy Act.

- h. Transit Asset Management Plan. Grantees must develop a transit asset management plan that includes capital asset inventories and condition assessments, decision support tools, and investment prioritization. Grantees have to certify that they have complied with the rule issues under section 5326 (d). This requirement will take effect after FTA issues a rulemaking in FY 2016 and grantees have 2 years from the effective date of the final rule to have a TAM Plan in place.
- j. Annual Certifications and Assurances. Before FTA may award a federal grant, the applicant must provide FTA with all certifications and assurances required by federal laws and regulations for the applicant or project. A grant applicant must sign the appropriate certifications and assurances each year for all anticipated grant applications during that particular fiscal year. This annual certification process replaces individual certifications and assurances that grantees used in the past when submitting each grant application or periodically when warranted by specific circumstances.

Project Management Stage

The reporting requirements under this stage are necessary to ensure the proper and timely expenditure of federal funds within the scope of the approved project. The requirements comply with the Common Grant Rule and are contained in FTA Circular 5010.1C, and also may also be included in sections of the grant contract. These reporting requirements are:

- a. Quarterly Milestone/Progress Reports (QPR). These narrative reports define the level of activity for each project element during the reporting period. Delays, problems, and milestone achievements are reported to FTA. The reports greatly reduce the need for on-site visits by staff.
- b. Cost Allocation Plan. These narrative reports are required of State or local agencies desiring reimbursement for indirect administrative expenses incurred in connection with a capital grant. The Cost Allocation Plan is necessary to properly determine those indirect costs attributable to capital grants.
- c. Quarterly Federal Financial Reports (FFRs). These quantitative reports provide a financial picture of project activity. The reports include information regarding obligations, payments, receipts, and other pertinent financial data required to ensure proper expenditure of federal funds.
- d. Reports of Significant Events. Unforeseen events that impact the schedule, cost, capacity, usefulness or purpose of the project should be reported to FTA immediately after detection and then reflected in the next quarterly progress report.
- e. Pre-award and Post-delivery Rolling Stock Reviews. The reviews are required to be performed by FTA grantees purchasing rolling stock. These reviews are intended to ensure compliance with various requirements, such as Buy America, and to detect any vehicle defects while the vehicle is under warranty. Grantees certify compliance with the review requirements under the implementing rule that was published in September 1991.

f. Project Management Plan Updates. As major construction projects progress, the original project management plans need revisions and updates. Updates must include project budget; project schedule; financing, both capital and operating; ridership estimates, including operating plan; and, when appropriate, the status of local efforts to enhance ridership when estimates are contingent, in part, upon the success of such efforts to be made.

2. HOW, BY WHOM, AND FOR WHAT PURPOSE THE INFORMATION IS TO BE USED AND CONSEQUENCES IF THE INFORMATION IS NOT COLLECTED.

The reports are submitted to the program office, usually within an FTA regional office, to determine the applicant's eligibility for funding and, subsequently, the grantee's progress in implementing and completing project activities. The reports assure FTA of a level of management of risks. The information submitted also ensures FTA's compliance with applicable federal laws and the Common Grant Rule. Without these reports, significant resources and manpower would be necessary to conduct on-site inspections.

3. CONSIDERATION OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN AND ANY TECHNICAL OR LEGAL OBSTACLES TO REDUCING BURDEN.

FTA's electronic grant making and management system is a paperless, electronic grant application, review, approval, acceptance and management process. It is anticipated that 100 percent of applications received under this program will be submitted electronically. FTA also anticipates that approximately 100 percent of the periodic reports that grantees are required to submit will be submitted electronically. Grantees are also encouraged to use the electronic system for signature of annual certifications and assurances.

4. DESCRIBE EFFORTS TO IDENTIFY DUPLICATION. SHOW SPECIFICALLY WHY ANY SIMILAR INFORMATION ALREADY AVAILABLE CANNOT BE USED OR MODIFIED FOR USE FOR THE PURPOSES DESCRIBED IN ITEM 2.

The reports are project specific and the information is not available elsewhere. There is no duplication.

5. METHODS USED TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES.

The information collected does not involve small businesses. However, grantees reporting from smaller urbanized areas (urbanized areas with populations of less than 200,000) are allowed to submit Milestone Progress Reports and Federal Financial Reports on an annual basis rather than on the quarterly basis formerly required.

6. CONSEQUENCES TO FEDERAL PROGRAMS OR POLICY ACTIVITIES IF INFORMATION WAS NOT COLLECTED OR COLLECTED LESS FREQUENTLY, AS WELL AS ANY TECHNICAL OR LEGAL OBSTACLES TO REDUCING THE BURDEN.

If these and other reports were required less frequently, additional site visits by agency staff would be required to ensure compliance with program objectives.

7. SPECIAL CIRCUMSTANCES THAT REQUIRE THE COLLECTION TO BE CONDUCTED IN A MANNER INCONSISTENT WITH 5 CFR 1320.6.

The information collected is consistent with the guidelines in 5 CFR 1320.6.

8. EFFORTS TO CONSULT WITH PERSONS OUTSIDE THE AGENCY TO OBTAIN THEIR VIEWS.

A 60-day Federal Register notice was published on May 9, 2016 Vol. 81 No. 89 (page 28157) soliciting comments prior to submission to the Office of Management and Budget (OMB). No comments were received. A 30-day Federal Register notice was published on October 3, 2016 Vol. 81, No. 191 (pages 68103 & 68104).

9. EXPLAIN ANY DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS, OTHER THAN REMUNERATION OF CONTRACTORS OR GRANTEES.

No payment is made to respondents.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED RESPONDENTS.

There is no assurance of confidentiality regarding these submissions.

11. ADDITIONAL JUSTIFICATION FOR QUESTIONS OF A SENSITIVE NATURE.

None of the information is of a sensitive nature.

12. ESTIMATE OF THE HOUR BURDEN OF THE COLLECTION, AND ANNUALIZED COST TO RESPONDENTS.

Requirements	# Annual submissions	Burden hours per submission	Total burden hours
<u>Application Stage (includes all of the following):</u>	80	50	4,000
Authorizing/Resolution } Opinion of Counsel } Project Description }			
Project Budget } Project Justification } Project Milestones } List of Labor Unions } Environmental Exhibit }			
Total, Application Stage	80	50	4,000
<u>Project Management Stage</u>	640	8	5,120
Milestone Progress Report 8 16,696			
- Reports of Significant Events			
Federal Financial Report			
- Pre-award/Post Delivery of Rolling Stock			
- Cost Allocation Plans			
- Project Management Plan Updates			
Total, Project Management Stage	640	8	5,120
Grand Total, Application and Project Management	720	58	9,120

The total burden associated with this submission in FTA's information collection inventory is 9,120 hours (4,000 hours application stage + 5,120 hours project management stage).

Estimate of the cost to respondents:

The number and complexity of applications submitted each year vary and there is a wide variance in the level of effort required. A majority of applications are, however, simple and straightforward. The figures below are representative of a straightforward application meeting all of the criteria for federal funding.

It takes approximately 50 person-hours to develop and submit an application to FTA for review. Since FTA receives approximately 80 applications per year, the total hours required are estimated to be (50 hours x 80 applications = 4,000 hours). Although various personnel are involved in the development of an application, the average salary is estimated to be \$34 per hour. Therefore, the cost to the respondents for the application stage is computed at \$136,000 (4,000 hours x \$34 per hour = \$136,000).

Project Management Stage:

Staff time devoted to the preparation of progress and other project management reports takes approximately 8 hours at an average salary of \$30 per hour or \$240 per report. There are 640 reports submitted annually; therefore, the cost for the project management stage is estimated to be \$153,600 (640 reports x \$240 = \$153,600).

The total cost for the application and project management stages is \$289,600 (\$136,000 application stage + 153,600project management stage).

13. ESTIMATE OF TOTAL ANNUAL COST BURDEN TO RESPONDENTS OR RECORDKEEPERS RESULTING FROM THE COLLECTION OF INFORMATION (NOT INCLUDING THE COST OF ANY HOUR BURDEN SHOWN IN ITEMS 12 AND 14.

There is no additional cost beyond that shown in items 12 and 14.

14. ESTIMATE OF THE ANNUALIZED COST TO THE FEDERAL GOVERNMENT.

The cost is calculated as follows:

Application Stage:

Our experience indicates that it takes approximately 19 person-hours to review each application received by FTA. It should be noted that this figure assumes that the application is: 1) complete, 2) fundable and 3) non-controversial. More complex projects or programs of projects would consume additional time.

Although reviewed by several different staffers, from secretaries to the Administrator, it is estimated that the average grade level of the reviewers is GS-12/step 5, paid \$39 per hour. Since we receive and review approximately 80 applications per year, the cost to the federal government is \$59,280 (19 hours x 80 applications = 1,520 hours x \$39 = \$59,280).

Project Management Stage:

A review of the progress and other project management reports submitted during a year should be completed within 1/2 hour by a GS-13 (average salary, \$40 per hour - 1/2 hour

= \$20). There are approximately 640 progress reports and financial reports submitted during a year. The cost to the federal government is \$12,800 ($\$20 \times 640 = \$12,800$).

Total cost for application and project management stages is \$72,080 (\$59,280 application stage + \$12,800 project management stage).

15. EXPLAIN REASONS FOR CHANGES IN BURDEN, INCLUDING THE NEED FOR ANY INCREASES.

This is a request for an extension of a currently approved information collection without change.

16. PLANS FOR TABULATION AND PUBLICATION FOR COLLECTIONS OF INFORMATION WHOSE RESULTS WILL BE PUBLISHED.

FTA does not plan to publish the results of the information collected for statistical use.

17. IF SEEKING APPROVAL NOT TO DISPLAY THE EXPIRATION DATE FOR OMB APPROVAL, EXPLAIN THE REASONS.

There is no reason not to display the expiration date of OMB approval.

18. EXPLAIN ANY EXCEPTIONS TO THE CERTIFICATION STATEMENT IDENTIFIED IN ITEM 19 OF OMB FORM 83-I.

No exceptions are stated.