

Chapter 8: Satisfactory Continuing Control and Equipment Maintenance

Background

Capital management is an important aspect of public transit since it affects the safety, marketability, and financial integrity of the transit system. Transit is dependent on its capital equipment to accomplish its mission. All property/rolling stock purchased with federal dollars is the responsibility of the transit system. The transit system retains title to all property, via a Deed of Restriction, providing the property is used for public transportation. Subrecipients of federal dollars administered by the KYTC/OTD are required to certify that any property purchased with those funds is used for public transportation services within the sub-recipient's service area or other area described in the grant application for the useful life of the equipment or facility.

All property acquired using federal funds shall be utilized and disposed of in accordance with the applicable FTA program circular, FTA Circular 5010.1E D (as amended) and 49 CFR 18.

Title to all ~~property~~ rolling stock purchased with federal funds shall be vested in the name of the subrecipient with KYTC/OTD as the first and only lien holder and holds title.

The subrecipient shall have the requisite fiscal capability to carry out the project and be responsible for maintaining required insurance coverage (KYTC/OTD must be placed as loss payee on respective policies), property records, conducting physical inventories, implementing adequate property control systems and maintaining the equipment in proper working condition. Documentation must be available upon request.

OTD shall provide technical assistance to the transit agencies in developing a Safety, Security and Emergency Preparedness Implementation Plan according to FTA guidance.

Transit systems are required to maintain the property at a high level of cleanliness, safety, and mechanical soundness. Each transit system must establish an equipment/vehicle

maintenance program that, at a minimum, meets the equipment manufacturer's recommendations. KYTC/OTD has the right, and obligation, to review the transit system's maintenance and safety programs and to conduct periodic inspections of equipment and facilities funded with state and federal funds administered by KYTC/OTD.

Equipment and Real Property Management

Inventory

Any capital equipment **including computers, office equipment, cameras, etc.** purchased with federal or state funds administered by the KYTC/OTD ~~and valued at \$5,000 or more~~ must be inventoried with KYTC/OTD, and information updated biannually, at a minimum. Any equipment purchased with these funds must be reported **quarterly** to KYTC/OTD on the requisite inventory data collection form provided to subrecipients. The form should be updated and provided to OTD as soon as new or transferred equipment (including vehicles or property) is received or acquired.

All vehicles and equipment shall be assigned an identification number to allow the items to be traced easily. Include the identification number on the Property Inventory Form. Once an item is assigned a number, it retains that unique number throughout its life. An inventory number should not be reused. Equipment purchased as an integral part of the vehicle does not need to be separately inventoried. For example, a lift or destination sign that is purchased as part of a vehicle does not need to be inventoried

An annual inventory update for equipment and real property is required from all transit systems on items with a current market value of ~~\$5,000~~ **\$300** and over. Subrecipients are required to provide OTD a standardized inventory form from KYTC/OTD that includes, **at a minimum**, information such as:

- Description;
- Identification number;
- Procurement source;
- Acquisition date;
- Cost;
- Percentage of Federal participation in the cost;
- Project Contract Number under which it was procured;
- Location, use and condition; and

- Any disposition data (including the date of disposal and sale price, or, where applicable, the method used to determine its fair market value).
- **Warranty**
- **Oil Changes Manufacturer Recommended Intervals**

All information contained in the inventory is verified or corrected and returned to KYTC/OTD no later than the requested due date. Generally, the inventory update is submitted to KYTC/OTD with the annual application.

The subrecipient inventory of equipment is reviewed by the KYTC/OTD and the results reconciled with KYTC/OTD equipment records at least once every two years. Office of Transportation Delivery staff reconciles the subrecipient inventory report during on-site visits. Any differences must be investigated by KYTC/OTD/Subrecipient to determine the cause of the difference.

Allowed and Prohibited Uses of Federally Funded Vehicles

Incidental Use

Vehicles and equipment purchased with state and federal transit assistance funding is justified solely based on proposed use for public passenger transportation. KYTC/OTD does allow incidental use of vehicles and equipment under the following conditions:

- The incidental use does not interfere with the public transit services for which it was originally obtained the incidental use does not exceed 20 percent of the total use of a vehicle.

Each subrecipient must sign an Incidental Services Certification.

Charter Service

FTA grantees are prohibited from using federally funded equipment and facilities to provide charter service except on an incidental basis and when one or more of applicable exceptions ~~for urban areas~~ set forth in the charter service regulation at 49 CFR 604.9 ~~(b) applies.~~ Incidental use may include meal and parcel delivery, restricted client services, and FTA allowable charters. Charter service is an allowable activity on an incidental basis if the ~~subrecipient transit agency sends a notice of the trip to Registered Providers on the FTA Charter Registration Website and no Registered Charter Provider responds in the appropriate time or if~~

the trip falls under an “exemption” or “exception” as detailed in the Charter regulation. All allowable incidental charter service must be fully allocated with no charge to federally funded programs. No mileage, trips and hours associated with allowable incidental charter shall be represented in the Subrecipient’s annual operating statistics.

Meal Delivery for Homebound Individuals

Public transportation service providers receiving Section 5311 or Section 5310 funds may coordinate and assist in regularly providing meal delivery service for homebound individuals, if the delivery service does not conflict with providing public transportation service or reduce service to public transportation passengers. KYTC/OTD expects the nutrition program to pay the operating costs attributable to meal delivery. The number and size of vehicles applied for under federal or state programs must be determined **only** by the number of passengers to be transported, not meal delivery capacity. Federal capital assistance may not be used to purchase special vehicles used solely for meal delivery or to purchase specialized equipment such as racks or heating or refrigeration units related to meal delivery.

Use of Federally Funded Vehicles for Medicaid Transportation

Transit vehicles purchased with FTA/KYTC/OTD funds that still have a useful life and have not been released by KYTC/OTD should be used for providing transportation services within the local transit provider’s designated service area. Transportation within the designated service area includes transportation of an individual from the designated service area to a facility or location outside the service area and the return trip.

Emergency Leases Between Systems

If emergency situations arise and a vehicle will be out of service for several months, a transit system may want to lease another vehicle to replace the "out-of-service" vehicle. If available, a vehicle may be leased short-term from another transit system to maintain needed service needs within a service area. KYTC/OTD should be notified of any pending lease agreement. Any lease must be approved by KYTC/OTD and a copy kept on file at KYTC/OTD.

Vehicle Use Agreements

KYTC/OTD encourages transit systems to retain direct control of their vehicles. Therefore, KYTC/OTD discourages placing vehicle(s), equipment or real property under the control of other agencies and reserves the right to approve or disapprove all vehicle/equipment/property use agreements that involve items purchased with state or federal dollars. When a transit system has justified that the best use of the vehicle(s) or equipment would be under a vehicle use agreement, several issues should be addressed before the vehicle use agreement is signed. Some issues that should be discussed with the subcontractor are:

- Drivers of the transit system or drivers from another agency may drive the vehicles as long as insurance coverage is adequate for these uses;
- The vehicle use agreement must state who is responsible for such items as insurance, maintenance, drivers, emergencies, backups, etc.;
- The vehicles must be operated open to the public without discrimination;
- Incidental service ridership and revenue miles must be reported as such, separate from the service open to the general public;
- Driver licensing requirements; and
- Drug and alcohol testing requirements.

The transit system remains responsible to KYTC/OTD for compliance with all state and federal rules and regulations. The office must be notified of the location of the vehicle or equipment.

Useful Life and Replacement Standards

Useful Life Standard and Utilization

FTA establishes minimum useful life standards to ensure that vehicles and other equipment are maintained for transit use for their normal service lives and to ensure that the vehicles and equipment purchased are necessary for public transit service. If KYTC/OTD determines that a transit system is failing to use or maintain any equipment item properly, the office will notify the transit system and may withhold further state and federal assistance. This may be done until adequate measures are taken to correct the inadequate use or maintenance of

the equipment. In some instances, KYTC/OTD may ask that the equipment be offered for transfer to another transit system or that the state and/or federal share of the item purchased be returned to KYTC/OTD.

Vehicle Title

Copies of the title and liens to all property purchased pursuant to a Section ~~5310/5311/5316/5317~~ **5309/5339** award shall be maintained by the KYTC/OTD until the useful life of the ~~property~~ **vehicle** has been met, the ~~property~~ **vehicle** has been adequately disposed of, and no further federal interest exists.

Service Life of Rolling Stock

Useful life of rolling stock begins on the date the vehicle is placed into revenue service and continues as long as it is in service. If a vehicle is out of service more than 30 days, KYTC/OTD must be notified **on the quarterly report**. The period of time that the vehicle is out of service does not count toward the minimum useful life. Incidental service mileage does not count toward the minimum useful life.

If a vehicle is rehabilitated **or rebuilt** (**Rebuild: A recondition at the end of useful life that creates additional useful life**). **Rebuild is a capital expense incurred at or near the end of the rolling stock's useful life that results in a new useful life of the rolling stock that is consistent with the extent of the rebuilding.** with federal funds, with a fifty percent and a new replacement threshold. KYTC/OTD allows vehicles to be replaced once a vehicle has met mileage standard at a minimum:

| TYPE OF VEHICLE | AGE OF VEHICLE | MILEAGE |
|---|-----------------------------|---|
| Van/Cutaway (5 – 15 passenger) | 5 4 years | 100,000 miles |
| Medium Bus (16 – 29 passenger) | 7 years | 250,000 250,000 200,000 miles |
| Large Bus (30 – 35 passenger) Includes rubber wheeled trolleys | 10 years | 350,000 miles |
| Large Bus (36 passenger and greater) | 12 years | 500,000 miles |

Fleet Utilization Standards

KYTC/OTD encourages full utilization of all vehicles within ~~you're~~ a fleet throughout their useful life, especially vehicles purchased with funds administered by KYTC/OTD. Once a

vehicle has reached the useful life threshold, it may be considered a backup or spare vehicle upon review and approval by KYTC/OTD. The recommended minimum spare ratio for a subrecipient fleet is not to exceed 20%.

To ensure that all vehicles receive maximum utilization, KYTC/OTD suggests rotating vehicles within the service area or between service areas, or from lightly traveled routes to heavily-traveled routes. Any system failing to meet the minimum standard for its primary fleet (excluding backup vehicles) may be denied replacement or rehabilitation funds.

Vehicle Rehabilitation/Rebuild

When a vehicle owned by a transit system reaches the KYTC/OTD minimum useful life standard, it may be replaced or rehabilitated. Rehabilitation may be a cost effective alternative to replacement. The decision whether to replace or rehabilitate is up to the transit system. FTA rules require vehicles rehabilitated with federal funds to be operated for an additional one-half of the original useful life. Systems are encouraged to consider the rehabilitation alternative, but are reminded of the commitment to operate the vehicle for an additional 50 percent of the original useful life.

Reference is made to the Rolling Stock Rebuilding Policies. FTA laws, regulations, policies, and procedures allow the use of capital funds for vehicle rebuilding programs that meet the vehicle requirements in Federal Motor Carrier Vehicle Safety Standards and Americans with Disabilities Act Accessibility Specifications for Transportation (49 CFR part 571 and 49 CFR part 38). Requirements for Bus and Rail fleets are summarized below:

Buses to be rebuilt should be at the end of the minimum useful life and in need of major structural and/or mechanical rebuilding. The age of the bus to be rebuilt is its years of service at the time the rebuilding begins. The eligibility of this major capital bus rebuild work is in addition to the eligibility of vehicle overhauls as described in Chapter IV, Subsection 3.h., "Rolling Stock Overhauls," below. Grantees should contact the regional or metropolitan office to determine the extent which the useful life of the bus is affected by the rebuild. The minimum extension of useful life is four years.

Rolling Stock Overhauls. Rolling stock overhauls are an eligible capital expense as preventive maintenance. This eligibility for capital assistance applies also to leasing and to contracted service. Overhauls are usually done to make sure rolling stock reaches its

useful life. Overhaul does not extend the useful life of rolling stock. This eligibility is in addition to eligibility of rebuilding specifically discussed above in Chapter IV, Subsection 3.g. For rolling stock.

Procedures for Completing Rehabilitation Projects

~~A written request to proceed with vehicle rehabilitation must be prepared by the Subrecipient and submitted to the KYTC/OTD.~~

~~If the rehabilitation work proposed is done in-house or by another transit system, justification and two quotes from 'for-profit' vendors for the same work are required. If in-house rehabilitation work is approved by KYTC/OTD, detailed records of the labor and materials must be maintained and only the cost of 'direct' staff time will be reimbursable. KYTC/OTD must have all documentation on file.~~

~~Subrecipient shall oversee work while in progress. Subrecipient is responsible for verifying that parts supplied and repairs performed are as agreed upon. Thorough documentation of actual parts installed, outside repair costs incurred, and work order changes must be maintained by the transit system.~~

~~After completion of the vehicle rehabilitation, the KYTC/OTD may arrange a vehicle inspection to ensure that all work was performed properly and according to contract requirements. The property inventory needs to have the following items completed for rehabilitated vehicles:~~

- ~~◆—Property ID Number~~
- ~~◆—Fund Source~~
- ~~◆—Project Number~~
- ~~◆—Acquisition (Completion) Date~~
- ~~◆—Acquisition (Rehabilitation) Cost~~
- ~~◆—Federal Dollars~~
- ~~◆—Percent Federal Dollars~~
- ~~◆—Odometer Reading (at completion)~~
- ~~◆—Date of Odometer Reading~~

Utilization Standards for Other Equipment

Equipment such as computers, radios, and fareboxes purchased with state or federal dollars must also be used to its maximum capacity.

Computers and Other Office Equipment

Computers, copiers, and other office equipment are eligible items for capital funding to the extent that they are used for support of the recipient's public transit program.

Subrecipients that may be multi-purpose agencies (cities, Council of Governments, etc) must either affirm that the equipment will be dedicated to public transit use or prepare a cost allocation proposal. Such a proposal must either show what percentage use of the proposed equipment will be dedicated to transit or show the transit percentage of use of an overall multiple equipment package. (Example: Transit might buy a network printer used by others, but in return have free use of color copier funded by another program.)

Use of Facility/Real Property

KYTC/OTD encourages incidental uses of real property that can raise additional revenues for the transit system or, at a reasonable cost, enhance system ridership. KYTC/OTD approval (based on Federal Transit approval) is required for incidental uses of real property which must be compatible with the original purposes of the contract.

Incidental use of project real property is subject to the following considerations:

- Needed Property. This policy applies only to property that continues to be needed and used for a project or program. It is KYTC/OTD's intention to assist only in the purchase of property that is needed for an FTA project.
- Purpose & Activity. The incidental use must not compromise the safe conduct of the intended purpose and activity of the initial public transit project activity.
- Continuing Control. Incidental use must not in any way interfere with the continuing control over the use of the property or its continued ability to carry out the project or program.
- Non-Profit Use. While KYTC/OTD is particularly interested in encouraging incidental use as a means of supplementing transit revenues, non-profit uses are also permitted.
- Air Rights Income. Proceeds from licensing and leasing of air rights should reflect appraised fair market value. Income received from the authorized use of air rights may be retained by the subrecipient (without returning the Federal share) if the income is used for eligible transit planning, capital and operating expenses. This

income cannot be used as part of the local share of the contract from which it was derived. However, it may be used as part of the local share of another FTA/KYTC/OTD grant.

Disposition of Federally Funded Equipment

Transit systems are required to dispose of any federally funded equipment or facilities that are no longer needed for support of the public transit program. This would normally include equipment that has been replaced, as well as any equipment that is no longer used to capacity because of changing needs due to loss of contracts, service cuts, changed nature of services, or because of dissatisfaction with the equipment.

No vehicles or equipment funded through Section 5339, 5310, 5311, ~~5316, 5317~~ or applicable 5309 programs may be disposed of or transferred without advanced written permission from KYTC/OTD.

Vehicle Disposal

The subrecipient may dispose of equipment at the end of its useful life after notifying and receiving disposition instructions from KYTC/OTD. The KYTC/OTD staff maintains copies of Titles and vehicle liens until disposition is complete. Procedures for disposal are:

- A formal request for lien release shall be submitted to KYTC/OTD. If the vehicle is to be transferred to another transit agency, a ten percent local share may be paid by the agency receiving the vehicle. The agency requesting the transfer may be required to submit a fair market value estimate.
- KYTC/OTD shall send a written authorization to the subrecipient to sell the vehicle(s) or to junk the vehicles(s). If junked, KYTC/OTD must receive a copy of the junk title. From the KYTC/OTD approval date, a subrecipient to sell or junk a vehicle.
- Disposal procedures must be approved in advance by OTD. Employees (or their family members) of the transit agency cannot submit a sealed bid involving sealed bids that are controlled by the transit agency. They may participate in an auction process that is controlled by a third party.
- Employees (or their family members) of the transit agency cannot submit a sealed bid when the sealed bids are controlled by the transit agency. In the case where the transit agency is going to hold the sealed bid process internally, the transit agency will need to include a disclaimer for eligibility requirements such as, "Employees and the immediate family members (spouse, parent, child, sibling

and their respective spouses, regardless of where they reside) and persons living in the same household as such individuals, whether related or not, are not eligible to participate in the bidding process.” They may participate in an auction process that is controlled by a third party.

The subrecipient may dispose of equipment with remaining useful life upon receiving written instructions from KYTC/OTD.

- KYTC/OTD may offer the equipment for sale to other properties in the state. Should another subrecipient want the equipment, the federal financial interest in the equipment would be transferred and the new owning project would be responsible for reimbursing the original owning project for the local share of the current fair market value of the equipment.
- If no other subrecipient is interested in purchasing the equipment, the subrecipient may be advised to sell it and return the proportional (federal/state) share of the proceeds to KYTC/OTD.

Disposal consideration may be given for equipment (vehicles) that has extenuating maintenance problems. Documentation for this type of consideration includes, but is not limited to:

- The number of days in the shop within the past 12 months;
- The total amount expended on repairs since the vehicle was purchased along with a copy of any repair bills over \$100.00;
- Identification of the defective part(s);
- The original date of delivery by the vendor;
- A copy of the agency's maintenance plan; and
- Maintenance records of vehicle.

Transfer of Federal/State Share

KYTC/OTD’s policy is to arrange transfers for any vehicles purchased under FTA programs administered by KYTC/OTD, or any vehicles purchased with revenues collected by utilizing FTA vehicles, such as contract revenue funds received from non-emergency Medicaid services, and so that they will continue to be used in public transit throughout their useful life. If any transit system has equipment purchased with FTA/KYTC funds administered by KYTC/OTD that is no longer needed for use by the public transit program, the equipment will be

made available for transfer to any other state transit system willing to use the equipment to the end of its useful life.

If vehicles are disposed of prior to meeting the KYTC/OTD established useful life standards, the federal interest in the vehicle must:

- Be transferred to another transit system that commits to operate the equipment up to the minimum useful life. If more than one transit system seeks to obtain the equipment, preference will be given to transit systems eligible for the FTA program under which the equipment was originally funded.
- Be credited against the cost of a future replacement vehicle thereby reducing the federal participation by a like amount, or
- Be refunded to FTA/KYTC/OTD

If necessary, KYTC/OTD may make the determination which transit system has the greatest need for the equipment, based on the following criteria:

- Emergency needs due to problems with the fleet;
- Emergency needs due to problems with existing fleet;
- Emergency needs due to service expansion;
- Anticipated needs due to proposed expansion;
- Proposed level of utilization;
- Capability to maintain transferred equipment;
- Consistency with system's planning and programming; or
- Other factors that may be appropriate.

The federal/state interest in equipment transferred prior to meeting useful life standards will be transferred outright to the recipient system.

Compensation for local share in the equipment shall not be required but may be negotiated between the transit systems if the recipient agrees.

Transferring Federally/State Funded Vehicles/Equipment

Letter listing the transferred equipment specifications documents the transfer of property. Each party and KYTC/OTD receives an original copy in any transfer involving KYTC/OTD

administered federal funds. Direct recipients of FTA Section 5307 or 5309 funds must have FTA concurrence prior to transferring federal equipment. The transit system transferring the vehicle signs the title and gives it to the system receiving the vehicle. The transit system transferring the vehicle must also provide the system receiving the vehicle with a signed odometer statement. The system receiving the vehicle is responsible for titling and licensing the vehicle. The system transferring the vehicle must delete the equipment from the system's inventory and the system receiving the vehicle must add the transferred equipment to its inventory.

Insurance Settlements

When a vehicle funded through KYTC/OTD has been in an accident and totaled, or can no longer be used as a safe public transit vehicle, the office must be notified at once. Insurance information and a letter stating damages and the amount of the proposed settlement to the transit system should be sent to KYTC/OTD. The office must concur with the decision to 'total out' any vehicle funded through programs administered by KYTC/OTD.

The settlement funds can be used for purchase of a similar vehicle for continued transit use. The subrecipient must request instructions from KYTC/OTD on the procedures for the purchase of another vehicle and KYTC/OTD must concur with the purchase. If the vehicle has not met the replacement threshold and a replacement is not purchased, the federal/state share of the vehicle must be returned or used for public transit services. This is based on straight-line depreciation or settlement values whichever is greater. If the vehicle has met the replacement threshold and is not replaced, any insurance funds should be used in the public transit program.

If a system settles with an insurance company on damages to the vehicle and does not use the full amount of the settlement for costs related to the damage, the remainder must be put back in the public transit program. However, vehicles must be repaired to the point where they are mechanically sound, safe and in presentable condition.

Repayment of Federal/State Share

As noted above, if any FTA/KYTC/OTD funded equipment is disposed of prior to reaching its minimum useful life, the residual federal/state interest must be refunded or credited toward purchase of another piece of equipment.

If equipment purchased with funds administered by KYTC/OTD are used to the minimum useful life or beyond prior to disposition, no repayment of federal/state share is required, but sale proceeds must be retained in the system’s public transit program.

Maintenance Standards and Policies

Subrecipients are required to certify that any property purchased under the project shall be used for the provision of public transportation services within the subrecipient service area or other areas as described in the grant application, and for the life of the equipment or facility in compliance with the property management standards of 49 C.F.R. 18.31 through 18.34.

A copy of the title and a lien, and if applicable, a deed of restrictions, to all property purchased pursuant to a federal/state award from KYTC/OTD to a subrecipient shall be maintained by the KYTC/OTD until the useful life of the property has been met and no federal/state interest exists.

The KYTC/OTD shall require all subrecipients to submit a system maintenance plan that will include at a minimum procedure for maintaining vehicles, facilities and ADA accessibility features.

A sample checklist:

**Office of Transportation Delivery
Facility Maintenance Plan Checklist**

Agency: _____

- | | Y or N |
|---|--------|
| 1. Maintenance Supervisor: Employee, Training, and Certifications | _____ |
| 2. Maintenance Plan Goals & Objectives | _____ |
| 3. Plan Explains Agency's Facility assessment method/checklist: How do they survey the facility to check for safety & maintenance needs? | _____ |

Is there a plan in place to do this?

4. Plan describes the frequency of preventative maintenance inspections.
(e.g. Daily/Monthly/Annually/When reaching certain # of hours of use) _____

5. Does the plan explain where the agency maintains records of maintenance history for facilities and equipment? Do they have an appropriate record-keeping system? _____

6. Does the Plan Address Security Equipment? (e.g. Locks/Cameras/Security System) _____

Plan addresses specific mission
7. criteria:
(e.g. HVAC/Roofing/Overhead Doors/Fire Safety/Elevators/Plumbing/Parking Lots, etc.) _____

8. Does the Facility meet ADA requirements? _____

9. Plan gives detailed description of warranties on capital equipment _____

10. Is the plan for preventative maintenance consistent with the minimum requirements from the
Manufacturer for facilities and equipment under warranty? _____

11. The plan has an executed date and signature
page. _____

Date last updated: _____

**Office of Transportation Delivery
Vehicle Maintenance Plan Checklist**

Agency: _____

1. Vehicle Maintenance Supervisor: Employee, Training, and Certifications.
2. Maintenance Plan Goals & Objectives included.
3. Preventative maintenance checklists are included in plan.
4. Plans and preventative maintenance checklists are consistent with current operating fleet.
5. Plans and preventative maintenance checklists are consistent with manufacturers' minimum maintenance requirements for vehicles under warranty.
6. Plan gives detailed description of the warranty for vehicles in the fleet.
7. Does the plan explain how the agency will track that the manufacturers' recommended maintenance is followed for vehicles under warranty?

8. The plan addresses preventative maintenance for on-board security vehicle cameras.
(If the agency does not have on-board security vehicle cameras; is it stated in the plan?)
9. Does it address how ADA accessible features are maintained?
10. The plan has an executed date and signature page. Date last updated:

General Maintenance

Subrecipients shall allow KYTC/OTD access to facilities and records to monitor maintenance performance, as KYTC/OTD deems necessary.

KYTC/OTD shall perform maintenance inspections of vehicles and equipment. KYTC/OTD shall be permitted to view and copy any vehicle maintenance records, inspect vehicles and equipment, and request subrecipient personnel to drive vehicles as may be deemed necessary to evaluate the condition of vehicles and equipment. All rolling stock and equipment must be maintained in accordance with the Manufacturer's recommendations.

Records

General

Subrecipients shall maintain an up-to-date vehicle file for each vehicle containing, at a minimum, the following information:

- Make of vehicle
- Model of vehicle
- Vehicle Identification or Serial number/Fleet number
- License number
- Funding Information (Federal and/or State)
- Contract/Grant Number
- Date received
- Date placed in service

- Rebuilds and major component replacements
- Vehicle repairs
- Preventative Maintenance Inspection Reports
- Daily vehicle conditions reports
- Works orders
- **Rolling Stock under warranty a system identifying warranty claims, recording claims, and enforcing claims against the manufacturers. Clear procedures to identify warrant repairs, record warranty claim, submit claim to manufacturer, follow-up on unpaid claims.**

Preventative Maintenance Schedule

The subrecipient shall insure that all vehicles under its control and all required accessories on the vehicles, are regularly checked and inspected, maintained, and lubricated to ensure that they are in safe and operating condition. The subrecipient shall have a means of indicating the types on inspection, maintenance, and lubrication operation to be performed on each vehicle and the date or mileage that these operations are due.

Equipment Maintenance Standards

- All wheelchair lift-related equipment shall be inspected, service and lubricated at intervals necessary to insure that the wheelchair lifts are fully operational whenever the vehicle is used in revenue service.
- Brake inspections and adjustments shall be performed at intervals that insure the safe and efficient operation of the braking system.
- All components of the vehicle bodies, frames shall be maintained in a safe, sound and undamaged condition at all times. Damage (including body damage, glass and all vehicle components) shall be repaired in a professional manner within three weeks (21 calendar days) of occurrences.
- All mechanical, electrical, fluid, air, and/or hydraulic system shall be maintained in a safe and fully functional, as designed, at all times.
- The interior passenger compartment shall be free of exhaust fumes from the engine, engine compartment, and exhaust system from the vehicle.
- Heating, ventilation, and air conditioning (HVAC) system shall be maintained and used to insure that the passenger compartment temperature is comfortably maintained under

all; climatic conditions at all times on all in-service runs. Subrecipient shall maintain the A/C systems in an operable condition throughout the entire year.

- Seats shall be maintained in proper operating condition at all times. All rips, tears, cuts, gum, graffiti, and other damage shall be cleaned or repaired in a professional manner immediately upon their discovery. Seat covers, which are worn or cannot be professionally repaired, shall be replaced by the subrecipient using materials, which are identical in design and color as those materials being replaced.
- The subrecipient shall establish and maintain an on-going spare parts inventory sufficient to permit that peak hour vehicle requirements are met at all times.
- **Rolling Stock/Equipment under warranty a system identifying warranty claims, recording claims, and enforcing claims against the manufacturers. Clear procedures to identify warrant repairs, record warranty claim, submit claim to manufacturer, follow-up on unpaid claims.**

Out of Service

A vehicle shall be designated as unfit for revenue service (considered Out of Service) if, upon inspection, any of the following conditions are found:

- Brakes out of adjustment
- Loose steering components
- Wheelchair Lift and related equipment not functioning properly
- Air conditioning unable to maintain a temperature 20 F lower than ambient or 72 F
- Heating or Defroster inoperative
- Tires with a tread depth of less than 2/32
- Failure to clean each vehicle
- Failure to repair vehicle body damage (interior or exterior) within twenty-one (21) days of the date damage occurred
- Inoperative Emergency Exits/Doors/Windows
- Inoperative Sensitive Edges on wheelchair lift or exit doors
- Any condition not in compliance with the Americans with Disabilities Act
- Any condition not in compliance with applicable Federal or State Regulations
- Any vehicle inspected and found unfit for service will be taken out of service and not returned until corrected.