



FEDERAL TRANSIT ADMINISTRATION

Triennial Review Mini Workshop

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U.S. Department of Transportation
Federal Transit Administration

Agenda

Part I. Program Oversight Overview

- A. Program Oversight Updates
- B. Finding Trends

Part II. Highlights of Top Triennial Deficiencies

What is Program Oversight?

FTA is responsible for conducting oversight activities to help ensure that recipients of Chapter 53 grants use the funds in a manner consistent with their intended purpose and in compliance with regulatory and statutory requirements.

We do this through:

- Comprehensive Reviews (Triennial & State Management)
 - Occur every three years
 - Forward-looking instead of reactive
 - Assess management practices and program implementation
- Specialized Reviews (Financial, Procurement, & Civil Rights)
 - Occur at FTA's discretion
 - Focus on specific areas of Federal compliance

FTA Oversight in Context

Oversight is necessary and beneficial for recipients, the public, and FTA

- Strengthens the capacity of FTA funding recipients to improve public transit for America's communities
- Required in legislation
- Fulfills FTA's fiduciary responsibility to prevent and identify improper payments and to ensure every dollar counts toward improving public transit
- Confirms and promotes grantee compliance with FTA requirements
- Helps address Congressional and public questions about the use of federal funds

FY 19 Review Status

The FY19 Triennial and State Management Reviews are now underway

- Delayed this year due to government shut-down and transition to a new contract

16 Triennial Review workshops planned

- See FTA's Website for locations and dates

Site visits may extend into the next fiscal year

Oversight Tracking System (OTrak)

Recipients access targeted for FY21:

- Submit information request packages
- Submitting corrective actions and request findings closure
- View review/finding status and access historical reports

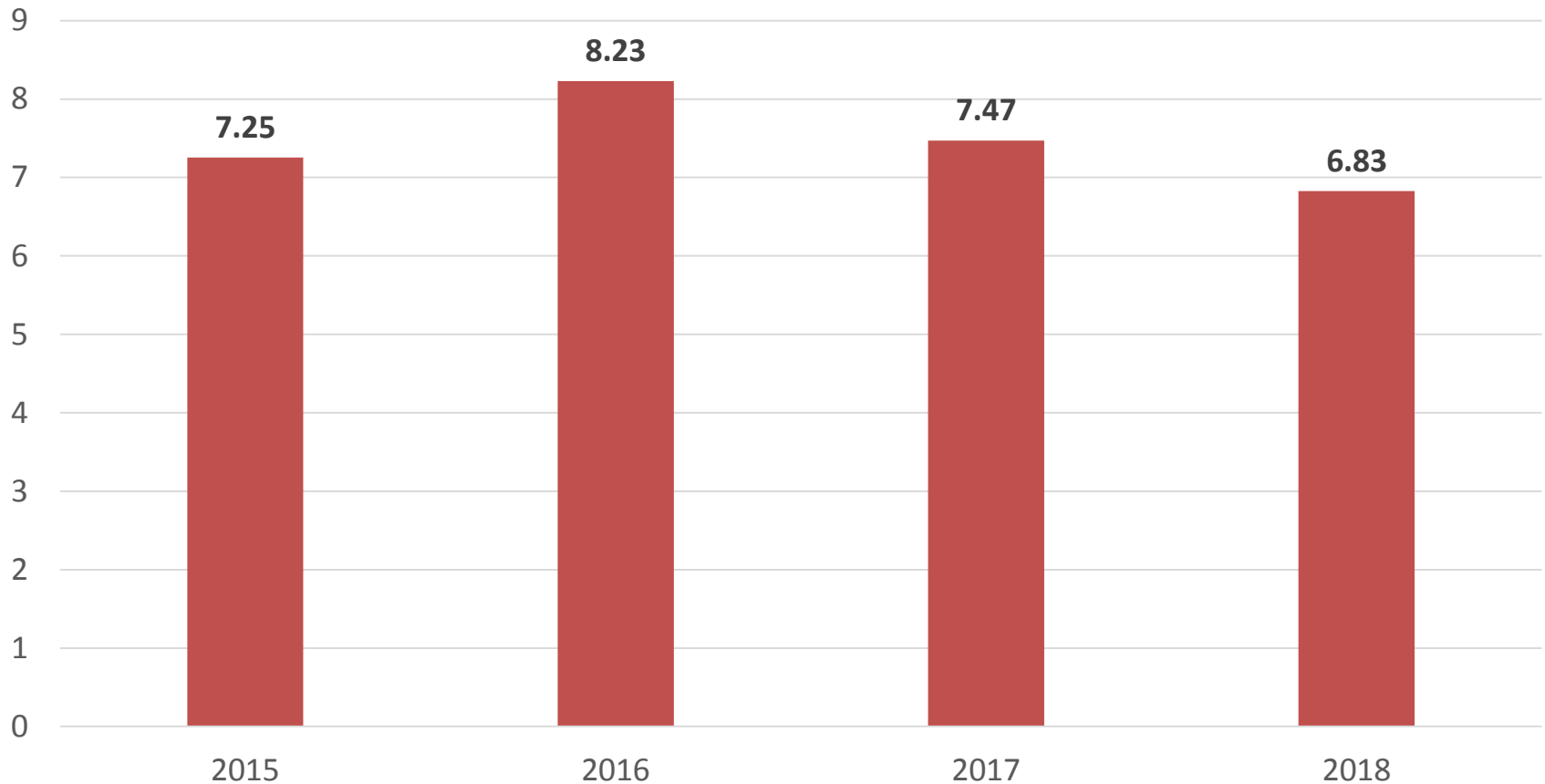
Recipient engagement FY19-20

- Virtual focus groups for requirements gathering
- User testing
- Training

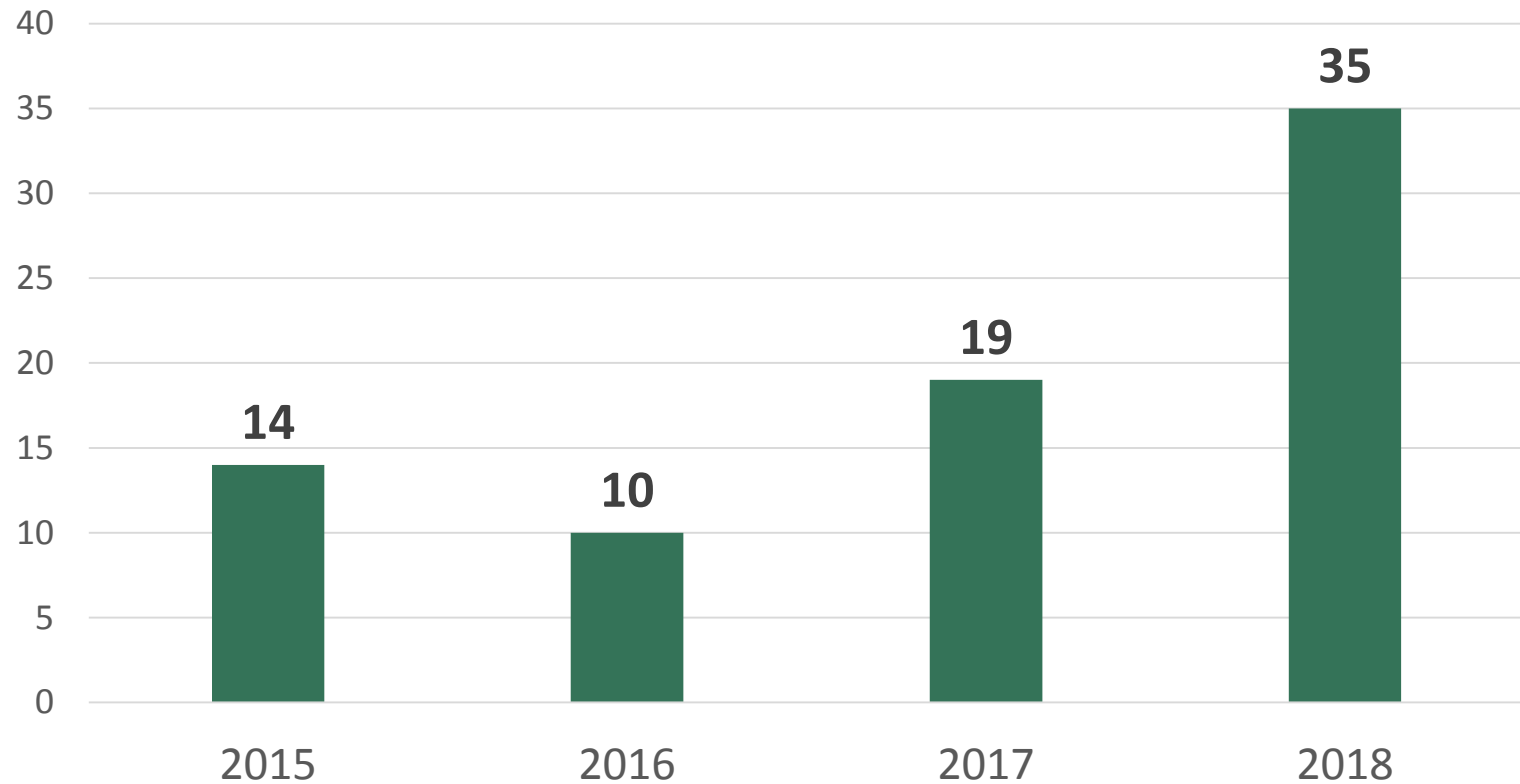
Findings Trends



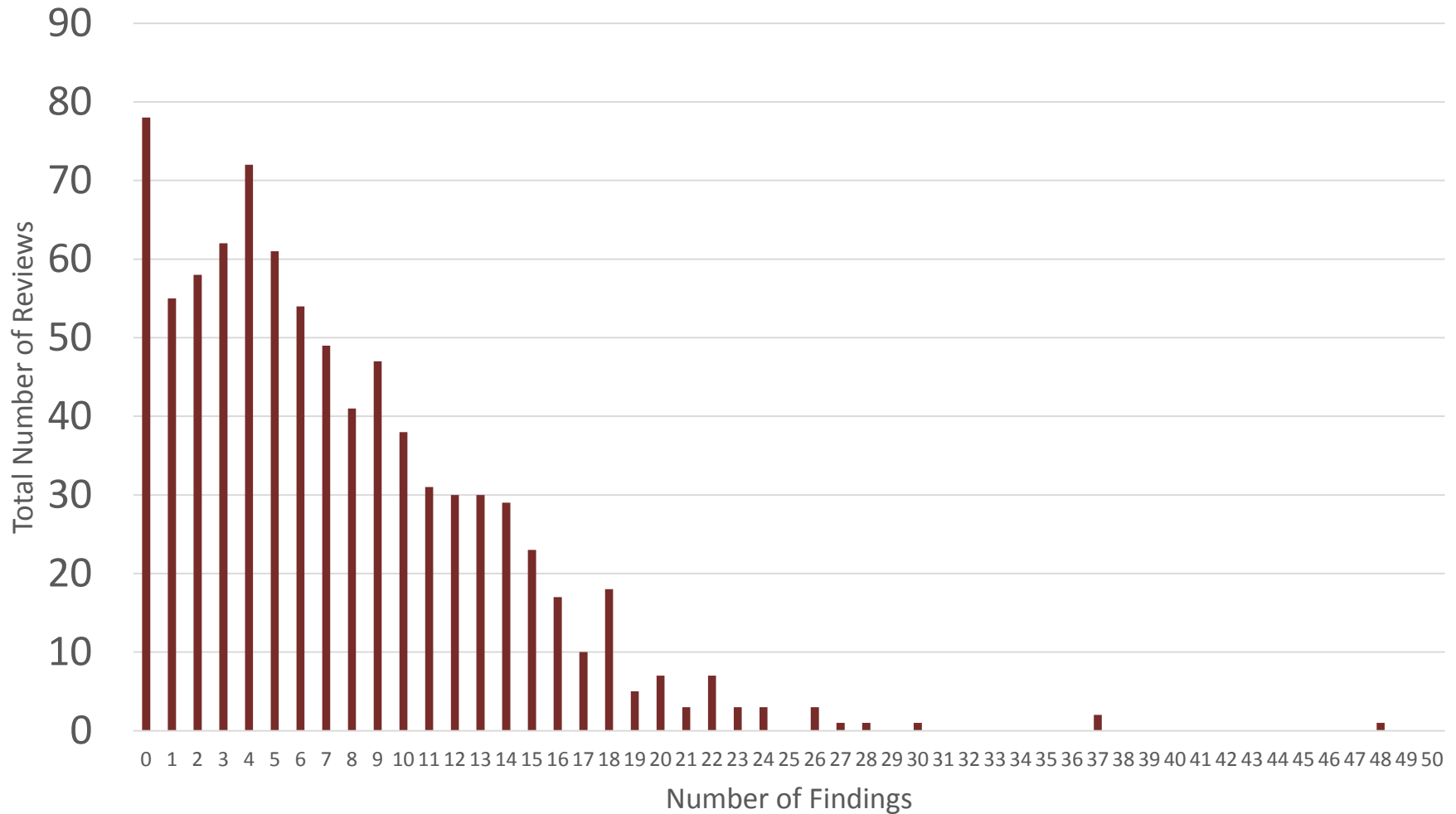
Average Findings per Triennial Review



Reviews With No Findings



Frequency of Findings FY15-18



Triennial Review Findings by Topic Area

Triennial Review Topic Area	2015	2016	2017	2018	% of All Findings (FY18)
ADA	197	282	225	251	16%
Disadvantaged Business Enterprise	188	279	258	207	13%
Drug Free Workplace and Drug and Alcohol Program	100	128	111	47	3%
Equal Employment Opportunity	24	43	25	38	2%
Financial Management and Capacity	105	109	118	124	8%
Maintenance	100	119	143	84	5%
Procurement	388	333	313	372	24%
Satisfactory Continuing Control	77	66	66	73	5%
Technical Capacity	167	115	120	131	8%
Title VI	58	75	82	98	6%
Other	112	80	85	118	8%
Total Number of Findings	1516	1629	1546	1543	

Top 10 Triennial Review Findings

Review Area	Finding	Findings in FY18
Procurement	Missing FTA clauses	53
Financial Management and Capacity	Missing, insufficient, or out of date financial operating procedures	49
Americans with Disabilities Act	Insufficient ADA complaint process	44
Americans with Disabilities Act	Limits or capacity constraints on ADA complementary paratransit service	38
Title VI	Language Assistance Plan deficiencies	37
Procurement	Lacking required cost/price analysis	36
Disadvantaged Business Enterprise	DBE uniform reports contain inaccuracies and/or are missing required information	29
Procurement	Pre-award and/or post-delivery certifications lacking	28
Americans with Disabilities Act	Reasonable modification deficiency	25
Disadvantaged Business Enterprise	DBE goal achievement analysis and corrective action plan not completed	22

Highlights of Top Triennial Review Deficiencies

FTA's Comprehensive Review Guide

Each overarching question has seven basic parts

1. Basic Requirement: high-level, clear statement of what a recipient is required to do
2. Applicability: Recipients to whom the requirement applies
3. Explanation for Recipient: Detailed description of the basic requirement
4. Indicators of Compliance: Questions to assess compliance with the basic requirement
5. Instructions for Reviewers: How reviewers assess compliance with indicators
6. Potential Deficiency Determinations
7. Governing Directives: Citation from law, regulation, agreement, or other guidance forming the basis of a potential finding



<https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/oversight-policy-areas/56711/fy2019-comprehensive-review-guide.pdf>

Top Triennial Review Deficiencies

- **Procurement**
 - Missing Clauses
- **Procurement**
 - Lacking required cost/price analysis
- **ADA**
 - Limits or capacity constraints on ADA complementary paratransit service
- **DBE**
 - Uniform reports contain inaccuracies and/or are missing required information
- **DBE**
 - DBE goal achievement analysis and corrective action plan not completed

Procurement

No FTA Clauses

- Purpose of the Procurement Review Area

Recipients use their own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, and conform to applicable Federal law and the standards identified in 2 CFR Part 200. State recipients can use the state's overall policies and procedures. When applied to federal procurements, those policies and procedures must still be compliant with all federal requirements as applied to non-state recipients. The flexibility afforded by 2 CFR Part 200 should not be misconstrued as absolving a state from Federal requirements.

Where Federal Transit Administration (FTA) funds are used in procurements for services or supplies, or where FTA-funded facilities or assets are used in revenue contracts, FTA Circular 4220.1F applies. FTA funds, even operating assistance, can be segregated from local funds. FTA Circular 4220.1F does not apply to wholly locally-funded capital procurements.

- Relevant 2019 Review Guide Question

P11. Did the recipient include applicable federal clauses in FTA-funded procurements exceeding the micro-purchase limit and construction contracts over \$2,000?

Procurement

No FTA Clauses

Relevant Indicator

- a. Did the recipient include applicable required clauses in FTA-funded procurements?

Procurement

No FTA Clauses

What drives this deficiency?

- Recipients do not recognize a procurement as being FTA-funded
- Recipients are not using a current checklist for clauses
- Lack of consistency
 - If procurement is decentralized in an agency, one department may be compliant, while another has deficiencies
- An unanticipated high bid or increased contract cost causes a procurement to cross a monetary threshold, requiring additional clauses

Procurement

No FTA Clauses

What can recipients do to prevent this deficiency?

- Use a clause checklist
 - Check FTA's Comprehensive Guide
 - Review FTA's Master Agreement when it is issued each year (<https://www.transit.dot.gov/funding/grantee-resources/sample-fta-agreements/fta-grant-agreements>)
- Develop standard clause language
 - See FTA's *Best Practices Procurement Manual*
- Develop a method for identifying FTA-funded procurements
 - Across departments
 - With others conducting procurements on transit's behalf
- National RTAP's ProcurementPro

<http://www.nationalrtap.org/Web-Apps-Old/ProcurementPRO>

Procurement

Lacking Required Cost/Price Analysis

- Purpose of the Procurement Review Area

Where Federal Transit Administration (FTA) funds are used in procurements for services or supplies, or where FTA-funded facilities or assets are used in revenue contracts, FTA Circular 4220.1F applies. FTA funds, even operating assistance, can be segregated from local funds. FTA Circular 4220.1F does not apply to wholly locally-funded capital procurements.

- Relevant 2019 Review Guide Question

P10. Does the recipient develop independent cost estimates and conduct cost and/or price analysis as described in its policies and procedures for each procurement action ***above the Simplified Acquisition Threshold?*** *

*The Uniform Guidance only requires this for procurements above the Simplified Acquisition Threshold.

Procurement

Lacking Required Cost/Price Analysis

Relevant Indicator

- b. Did the recipient conduct a cost analysis or price analysis for every procurement action above the Simplified Acquisition Threshold?

Procurement

Lacking Required Cost/Price Analysis

What drives this deficiency?

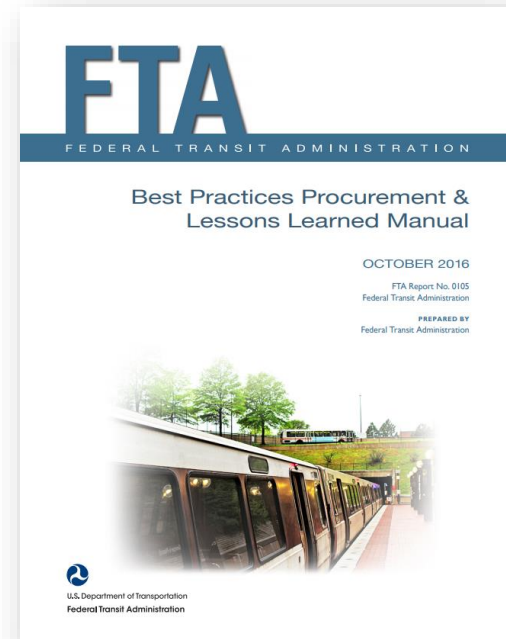
- Recipients do not conduct a cost or price analysis when applicable:
 - Often happens with one type of procurement or buyer, and/or where procurement is a decentralized function
- Recipients conduct a cost or price analysis but do not document it
- Recipients misclassify procurement as locally-funded
 - Often occurs when recipient is part of a state or local government that does not routinely procure FTA-funded products or services
- New recipients may not understand FTA procurement requirements

Procurement

Lacking Required Cost/Price Analysis

What can recipients do to prevent this deficiency?

- Include the completion of a cost or price analysis in file checklist
- Develop standardized form for cost or price analysis
 - FTA's *Best Practices Procurement Manual* includes guidance (Section 4.6) and sample forms and checklists
 - FTA's *Pricing Guide for FTA Grantees* also provides guidance materials (<https://www.transit.dot.gov/funding/procurement/third-party-procurement/pricing-guide-fta-grantees>)



<https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/funding/procurement/8286/fta-best-practices-procurement-and-lessons-learned-manual-2016.pdf>

ADA Complementary Paratransit

Limits or Capacity Constraints on Complementary Paratransit Service

- Purpose of the ADA Review Area

Titles II and III of the ADA of 1990 provide that no entity shall discriminate against an individual with a disability in connection with the provision of transportation service. The law sets forth specific requirements for vehicle and facility accessibility and the provision of service, including complementary paratransit service.

- Relevant 2019 Review Guide Question

CPT6. Does the recipient place limits on the availability of service to ADA paratransit eligible individuals?

ADA Complementary Paratransit

Limits or Capacity Constraints on Complementary Paratransit Service

Relevant Indicators

- a. Where the recipient cannot provide a trip at the requested time, does the recipient negotiate trip times so that trips are scheduled within one hour before or after an individual's desired departure time?
- b. Does the recipient restrict the number of trips an eligible individual will be provided?
- c. Does the recipient limit the availability of service by using waiting lists?
- d. Does any operational pattern or practice significantly limit the availability of service to eligible individuals?

ADA Complementary Paratransit

Limits or Capacity Constraints on Complementary Paratransit Service

What drives this deficiency?

- Recipients have capacity constraints
- There is inadequate data and/or reporting on trip reservations, dispatch, and/or performance
- Key definitions do not exist or are not adhered to (excessively long trips, missed trips, untimely pickups, denials)
- Performance data is gathered, but not evaluated
- Reservationists, dispatchers, and/or operators are not adhering to requirements or policies
- Complementary paratransit service exceeds the requirements and is impacting the capacity of the entire system
- Paratransit trips are co-mingled with other trips and separate data on ADA complementary paratransit is not tracked
- Disconnect between operational practices, internal procedures, and public information on the service

ADA Complementary Paratransit

Limits or Capacity Constraints on Complementary Paratransit Service

What can recipients do to prevent this deficiency?

- Gather data on the indicators in the Comprehensive Review Guide that relate to this area
- Review key ADA service definitions and consistently apply them to the internally and externally
- Review reports on ADA data to determine if potential capacity constraints are indicated
- Review internal procedures for reservationists, dispatchers, and operators to ensure that each understands the definitions in the indicators
- Observe reservationists as they are taking calls to ensure adherence to policies and requirements

Disadvantaged Business Enterprise (DBE)

Uniform Reports Not Submitted Semi-annually

- Purpose of the DBE Review Area

Recipients must comply with 49 CFR Part 26 to ensure nondiscrimination in the award and administration of US Department of Transportation (US DOT)-assisted contracts. Recipients also must create a level playing field on which DBEs can compete fairly for US DOT-assisted contracts.

- Relevant 2019 Review Guide Question

DBE4. Has the recipient submitted the Uniform Report of DBE Awards or Commitments and Payments semi-annually by the required due dates?

Disadvantaged Business Enterprise (DBE)

Uniform Reports Not Submitted Semi-annually

Relevant Indicators

- a. Did the recipient submit semi-annual reports on time?
- b. If the recipient did not submit one or more semi-annual report for the past three fiscal years, is there evidence to support that no submission(s) was/were necessary?

Disadvantaged Business Enterprise (DBE)

Uniform Reports Not Submitted Semi-annually

What drives this deficiency?

- Recipient meets the threshold for submitting reports
- Reports are not submitted on time
- Reports are missing
- Gathering data from subrecipients impacts timeliness
- Turnover at the DBE Liaison Officer position

Disadvantaged Business Enterprise (DBE)

Uniform Reports Not Submitted Semi-annually

What can recipients do to prevent this deficiency?

- Develop a process for completing the semi-annual forms
 - Forms due June 1 (covers Oct – Mar); and December 1 (covering Apr-Sep)
 - Ensure TrAMS access is secured – forms are completed within a module
 - Include procurements awarded, ongoing, and completed for the six-month period
 - Include ALL FTA-funded procurements (except for transit vehicle purchases)
 - Allocate time to gather internal and subrecipient data – aggregate report
- Use training on FTA's DBE website

Disadvantaged Business Enterprise (DBE)

Goal Achievement Analysis Not Completed or Not Submitted

- Purpose of the DBE Review Area

Recipients must comply with 49 CFR Part 26 to ensure nondiscrimination in the award and administration of US Department of Transportation (US DOT)-assisted contracts. Recipients also must create a level playing field on which DBEs can compete fairly for US DOT-assisted contracts.

- Relevant 2019 Review Guide Question

DBE6. For each of the past three completed Federal fiscal years, if the recipient's DBE achievements (based on contract awards) were below the overall goal for the applicable year, did the recipient complete the required shortfall analysis and corrective action plan?

Disadvantaged Business Enterprise (DBE)

Goal Achievement Analysis Not Completed or Not Submitted

Relevant Indicators

- a. Was the recipient required to conduct shortfall analyses and develop a corrective action plan?
- b. If applicable, did the recipient submit shortfall analyses and corrective action plans to FTA on time?
- c. If the recipient is not considered to be a Top 50 Recipient by FTA, but was required to conduct a shortfall analysis and develop a corrective action plan, do the analysis and plan contain required elements?

Disadvantaged Business Enterprise (DBE)

Goal Achievement Analysis Not Completed or Not Submitted

What drives this deficiency?

- Recipients do not meet their overall DBE goal, and:
 - Do not realize that they have to complete a shortfall analysis, and/or
 - Do not know what numbers on their reports to analyze
- The analysis and corrective action plan are not sufficient
 - Too much narrative, not enough facts, data, and dates
- ‘Top 50’ recipients do not submit analysis to FTA or submit it late

Disadvantaged Business Enterprise (DBE)

Goal Achievement Analysis Not Completed or Not Submitted

What can recipients do to prevent this deficiency?

- Complete the last DBE report of the fiscal year early

- Last report due Dec. 1st shortfall analysis due December 29th

- Check FTA’s website for “Top 50” determination

<https://www.transit.dot.gov/regulations-and-guidance/civil-rights-ada/top-50-grantees>

- Use training modules on FTA’s DBE website

- Comprehensive Review Guide lists analysis contents:

- Shortfall percentage
 - Shortfall explanation
 - DBE Participation on fiscal year FTA-assisted projects
 - Race-conscious/race-neutral breakdown
 - Race-neutral measures
 - Specific reasons for shortfall

Review the corrective action plans to verify if they included:

- Description of all corrective action measures
 - Explanation of how proposed corrective actions will increase DBE participation in the current year
 - Timeline for implementation

Top Triennial Review Deficiencies (cont'd)

- **Financial Management and Capacity**
 - Missing, insufficient, or out of date financial operating procedures
- **ADA Complementary Paratransit**
 - Insufficient ADA complaint process
- **Title VI**
 - Language Assistance Plan deficiencies
- **Procurement**
 - Pre-award and/or post-delivery certifications lacking
- **ADA**
 - Reasonable modification deficiency

Financial Management and Capacity

Missing, Insufficient, or Out-of-Date Financial Operating Procedures

- Purpose of the Financial Management and Capacity Review Area

The recipient must have financial policies and procedures; an organizational structure that defines, assigns and delegates authority; and financial management systems in place to match, manage, and charge only allowable cost to the award. The recipient must conduct required single audits and provide financial oversight of subrecipients.

- Relevant 2019 Review Guide Question

F1. Does the recipient have policies and procedures in place for managing federal awards, establishing internal controls, ensuring timely distribution of funds, and determining allowability of costs?

Financial Management and Capacity

Missing, Insufficient, or Out-of-Date Financial Operating Procedures

Relevant Indicators

- a. Does the recipient have written financial policies and procedures?
- b. How do policies and procedures address internal control practices to prevent waste, loss and misuse of federal funds, including:
 - Responsibilities, qualifications, training, supervision, and evaluation of financial staff
 - Organizational structure, levels and delegation of authority, access, and segregation of duties
 - Financial planning
 - Safeguarding of funds
 - Recording and identification of assets; including the use of such
 - Prevention of duplicate and overbilling
 - Allowable costs in accordance with 2 CFR Part 200 Subpart E—Cost Principles. Are these policies and procedures written?
 - Cash Management and Payment in accordance with 2 CFR 200.305 Payment. Are these policies and procedures written?
 - Accounting software being used
 - Required financial reporting, review, and approval
 - Record retention
 - Financial oversight of subrecipients, if applicable
 - An audit, testing or review program for internal control systems

Financial Management and Capacity

Missing, Insufficient, or Out-of-Date Financial Operating Procedures

What drives this deficiency?

- No detailed policies and procedures for:
 - managing FTA grant funds
 - internal control practices to prevent fraud, waste and abuse
 - levels of authority
 - accounting software being used
 - required financial reporting
 - financial oversight of subrecipients

Financial Management and Capacity

Missing, Insufficient, or Out-of-Date Financial Operating Procedures

What can recipients do to prevent this deficiency?

- Develop accounting policies and procedures
- Update procedures for:
 - New accounting software
 - Audit finding resolution
 - Organizational changes
 - Changes in Federal regulatory requirements

ADA - General

Insufficient Complaint Process

- Purpose of the ADA Review Area

Titles II and III of the ADA of 1990 provide that no entity shall discriminate against an individual with a disability in connection with the provision of transportation service. The law sets forth specific requirements for vehicle and facility accessibility and the provision of service, including complementary paratransit service.

- Relevant 2019 Review Guide Question

ADA-GEN1. Does the recipient track, resolve, and respond to ADA-related complaints?

ADA - General

Insufficient Complaint Process

Relevant Indicators

- a. Is the process for filing a complaint advertised to the public, such as on the recipient's website?
- b. Does public information about the complaint process include the appropriate contact information?
- c. Are the complaint procedures accessible to and usable by individuals with disabilities?
- d. Do the procedures provide for the prompt and equitable resolution of complaints, including a procedure for responding to complaints and tracking the responses?
- e. Does the recipient retain ADA-related complaints for at least one year and a summary of all ADA-related complaints for at least five years?

ADA - General

Insufficient Complaint Process

What drives this deficiency?

- Recipients missed new July 2015 requirements
 - ADA complaint process must be sufficiently advertised
 - Complaint responses must be promptly communicated
- ADA complaints not retained for required intervals
 - 1 year for the individual complaint
 - 5 years for the complaint log

ADA - General

Insufficient Complaint Process

What can recipients do to prevent this deficiency?

- Review current versions of 49 CFR Parts 27 and 37 for the requirements on ADA complaints
- Review website, ride guide, and other external communications for compliance, accuracy, and consistency
- Review internal tracking and retention policies for compliance
- If all service complaints go to a common center, ensure that ADA complaints can be distinguished
- Review contracted or subrecipient practices for compliance

Title VI

Language Assistance Plan Deficiencies

- Purpose of the Title VI Review Area

The recipient 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 without regard to whether specific projects or services are federally funded. The recipient must ensure that all transit services and related benefits are distributed in an equitable manner.

Relevant 2019 Review Guide Question

TVI2. Does the recipient provide meaningful access to Limited English Proficient (LEP) persons?

Title VI

Language Assistance Plan Deficiencies

Relevant Indicators

- a. Has the recipient implemented its Language Assistance Plan (LAP)?

Title VI

Language Assistance Plan Deficiencies

What drives this deficiency?

- Recipients are not implementing their Title VI program as described
- Recipient personnel that crafted the Language Assistance Plan are not the same that need to implement it, and the implementers are not aware of what FTA approved
- Implementing the LAP is an ongoing activity, not something that is reported on or evaluated at set intervals

Title VI

Language Assistance Plan Deficiencies

What can recipients do to prevent this deficiency?

- Review the LAP within the approved Title VI Program
- Integrate the implementation strategies within the organization
 - Marketing, outreach, communications, planning representatives often need to play key roles.
- Embed the LAP plan into other planning, communication, and outreach procedures

Procurement

Pre-award and/or Post-Delivery Certifications Lacking

- Purpose of the Procurement Review Area

Where Federal Transit Administration (FTA) funds are used in procurements for services or supplies, or where FTA-funded facilities or assets are used in revenue contracts, FTA Circular 4220.1F applies. FTA funds, even operating assistance, can be segregated from local funds. FTA Circular 4220.1F does not apply to wholly locally-funded capital procurements.

- Relevant 2019 Review Guide Question

P20. If the recipient procured rolling stock with FTA funds, did it comply with the requirements of 49 CFR part 663, including pre-award and post-delivery Buy America audit requirements, resident inspector requirements, and purchaser's certifications?

Procurement

Pre-award and/or Post-Delivery Certifications Lacking

Relevant Indicator

- b. For rolling stock purchases, did the recipient conduct pre-award and post-delivery audits to ensure the manufacturer(s) complied with contract specifications and Buy America?
- c. Did the recipient document its pre-award and post-delivery audits by completing and maintaining written certifications?

Procurement

Pre-award and/or Post-Delivery Certifications Lacking

What drives this deficiency?

- Recipients or subrecipients purchase rolling stock vehicles with FTA funds
- Recipients do not make internal file documentation that they conducted the pre-award and/or post-delivery activities
- Pre-award and/or post-delivery activities are conducted by someone outside of procurement (operations, maintenance, subrecipient, contractor), but signed certifications cannot be located when needed

Procurement

Pre-award and/or Post-Delivery Certifications Lacking

What can recipients do to prevent this deficiency?

- Pre-award, recipient must
 - Conduct Buy America audit (>\$150,000) and sign certification of compliance with Buy America
 - Certification by the manufacturer is not adequate
 - Sign certification of compliance with FMVSS
 - Review proposed vehicle specifications and sign certification of compliance with purchaser's requirements
- Post-delivery, recipient must
 - Conduct Buy America audit (>\$150,000) and sign certification of compliance with Buy America
 - Certification by the manufacturer is not adequate
 - Observe FMVSS sticker and sign certification of compliance with FMVSS
 - Inspect and road test vehicles and sign certification of compliance with purchaser's requirements

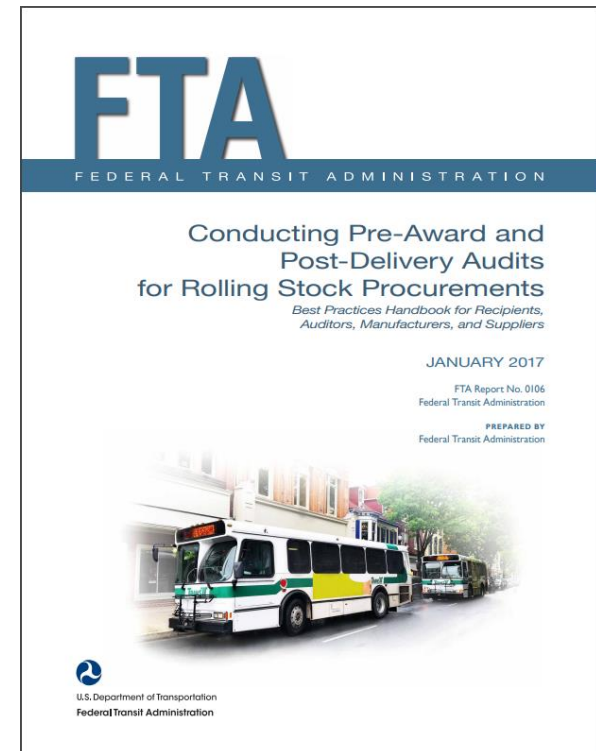
Procurement

Pre-award and/or Post-Delivery Certifications Lacking

What can recipients do to prevent this deficiency?

- Determine who is conducting pre-award/post-delivery audits and who is signing the internal certifications
- Develop a retention policy for the certifications
- Utilize FTA's 'Buy America Handbook'

<https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/regulations-and-guidance/buy-america/58191/buy-america-handbook-rpt0106.pdf>



ADA - General

Reasonable Modification Deficiency

- Purpose of the ADA Review Area

Titles II and III of the ADA of 1990 provide that no entity shall discriminate against an individual with a disability in connection with the provision of transportation service. The law sets forth specific requirements for vehicle and facility accessibility and the provision of service, including complementary paratransit service.

- Relevant 2019 Review Guide Question

ADA-GEN8. Does the recipient follow ADA provision of service requirements?

ADA - General

Reasonable Modification Deficiency

Relevant Indicator

- i. Does the recipient make information about how to make requests for reasonable modifications readily available to the public through the same means it uses to inform the public about its policies and practices? Does it provide a means, accessible to and usable by individuals with disabilities, to request a modification to the recipient's policies and practices?

ADA - General

Reasonable Modification Deficiency

What drives this deficiency?

- Recipients are unaware of what this requirement is meant to address
- Public information on the ability to request reasonable accommodations is not available or is not provided through same means as other related information
- Recipients only provide public information on reasonable accommodation in relation to their ADA complementary paratransit service

ADA - General

Reasonable Modification Deficiency

What can recipients do to prevent this deficiency?

- Review 49 CFR 37.169 to understand the requirements and procedures for reasonable modifications
- Review Appendix E of 49 CFR Part 37 for examples of reasonable accommodations that transit entities may encounter: pick up and drop off locations, assistance in ice and snow, private property, fare handling, eating and drinking, taking of medicine onboard, boarding separately from wheelchair, navigating around obstacles
- Have a training session(s) with representatives that field requests and those from operations who carry them out

Overall Tips For Compliance

- Review previous review reports
 - Document corrective action implementation
 - Avoid repeat deficiencies
- Conduct a self-assessment in non-Review years
 - FTA updates the Comprehensive Guide annually
- Understand how information provided for one section of the review provides input for others, such as:
 - Procurement lists for DBE
 - Inventory lists for Maintenance
- Manage subrecipients
- Sign up for FTA's email subscription

Technical Capacity – Program Management and Subrecipient Oversight

Inadequate oversight of subrecipient/third party contractor/lessees

- Purpose of the Technical Capacity-PgM Review Area

The recipient must follow the public involvement process for transportation plans; develop and submit a State Management Plan to the Federal Transit Administration (FTA) for approval; report in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) on subawards; and ensure subrecipients comply with the terms of the award.

- Relevant 2019 Review Guide Question

TC-PgM7. Does the recipient's oversight program ensure subrecipient compliance with Federal requirements and performance goals, and provide for evaluation of subrecipient risk of noncompliance with those requirements?

Technical Capacity – Program Management and Subrecipient Oversight

Inadequate oversight of subrecipient/third party contractor/lessees

Relevant Indicators

- a. What is the recipients process for monitoring subrecipients?
- b. How does the recipient evaluate subaward and/or subrecipient risk?
- c. Has the recipient conducted risk assessments of its subrecipients?
- d. How does the recipient evaluate subaward performance?
- e. How are the outcomes of risk assessments incorporated into the oversight process?
- f. What actions has the recipient taken to address identified compliance issues or risk with subrecipients?

Note: This question covers primarily high-level subrecipient oversight. In the 2019 Comprehensive Review Guide, most sections conclude with separate additional questions on contractor oversight and subrecipient oversight.

Technical Capacity – Program Management and Subrecipient Oversight

Inadequate oversight of subrecipient/third party contractor/lessees

What drives this deficiency?

- Recipients have contractor-operated service, subrecipients, and/or lessees
 - Contractor – hired by the recipient through a procurement action
 - Subrecipient – an entity to which the recipient passes through a portion of its FTA funds and the subrecipient ‘stands in the recipient’s shoes’
 - Lessee – an entity which leases an FTA-funded asset for transit service it controls
- Oversight is decentralized, inadequate, or non-existent
- Oversight activities not consistently documented
- Follow-up of oversight findings does not occur
- Complications when subrecipients are also direct FTA recipients

Technical Capacity – Program Management and Subrecipient Oversight

Inadequate oversight of subrecipient/third party contractor/lessees

What can recipients do to prevent this deficiency?

- Create a comprehensive, standardized oversight approach
 - Include oversight procedures for Comprehensive Review Guide questions that relate specifically to contractors/lessees/subrecipients – word searching the Guide can help
- When regulations change, review and revise oversight guides
- Document oversight activities and corrective measures
- Follow up with contractors/lessees/subrecipients on findings

Thank You!

Questions?