Federal Transit Administration Office of Program Oversight Updates

AASHTO Council on Public Transportation and Transit Management

2023 Winter Meeting

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Office of Program Oversight
Federal Transit Administration

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U.S. Department of Transportation
Federal Transit Administration

FY24 Program Oversight

- FY24 Triennial (TR) and State Management Reviews (SMR)
  - Contractor Manual – Early Dec. 2023
  - Recipient Information Request – Send mid-Dec. 2023; due end of Feb. 2024
  - Workshops
- Technical Assistance – Top findings webinars, new recipient workshops, and targeted recipient assistance
- COVID-19 Financial Spot Reviews – Round 3 and beyond
- Oversight Tracking System (OTrak) – Recipient Pilot
- Findings Management Standard Operating Procedure – Move old TR/SMRs findings to current review

Program Oversight: FY23 Activities Summary

Oversight Activity	FY23	Exit Conference Complete	Draft Reports Issued	Final Reports Issued	Findings Issued
Triennial Review	202	191	166	133	476
State Management Review	12	11	8	8	49
Combined TR/SMR	5	5	3	2	17
COVID-19 Financial Reviews	46	N/A			
Financial Management Review*	18	3	2	2	
Procurement System Review*	–	–	–	–	–
Total	283	210	179	145	542

*FMO and PSR conducted across multiple FYs
As of 10/12/2023, 2 FMO Final Reports issued

TR/SMR Average Number of Findings

Region	TR				SMR				Total			
	FY19	FY21	FY22	FY23*	FY19	FY21	FY22	FY23*	FY19	FY21	FY22	FY23*
TRO-01	7.4	3.2	11.7	3.4	8.0	3.0	11.5	6.0	7.5	3.2	11.7	3.8
TRO-02	2.5	3.1	6.4	1.1	–	–	1.5		2.5	3.1	5.4	1.1
TRO-03	5.4	5.5	3.4	5.5	8.0	10.0	–	6.0	5.9	5.9	3.4	5.5
TRO-04	6.5	5.2	8.4	0.7	10.3	4.0	7.0		6.7	5.1	8.4	0.7
TRO-05	6.6	4.1	5.5	4.4	4.5	36.0	2.7	0.0	6.5	4.9	5.3	4.2
TRO-06	12.1	4.6	4.4	0.7	9.0	13.0	2.5		12.0	5.2	4.3	0.7
TRO-07	9.9	2.7	3.1	2.8	4.0	2.5	29.0	4.0	9.1	2.6	6.0	3.0
TRO-08	4.6	4.6	5.3	7.4	9.0	13.3	22.5	12.0	5.1	7.0	9.6	8.0
TRO-09	5.5	1.9	7.1	3.6	38.0	9.5	–	6.5	6.6	2.8	7.1	3.8
TRO-10	5.8	0.3	1.2	6.9	6.0	2.0	7.5	13.0	5.8	0.4	2.0	7.4
Total	**6.9**	**3.9**	**6.2**	**3.6**	**9.7**	**8.8**	**8.9**	**6.6**	**7.1**	**4.3**	**6.4**	**3.8**

Comprehensive Review: FY19 – FY23 Average Findings

Average Number of Findings

SMR Avg.

Total Avg.

TR Avg.
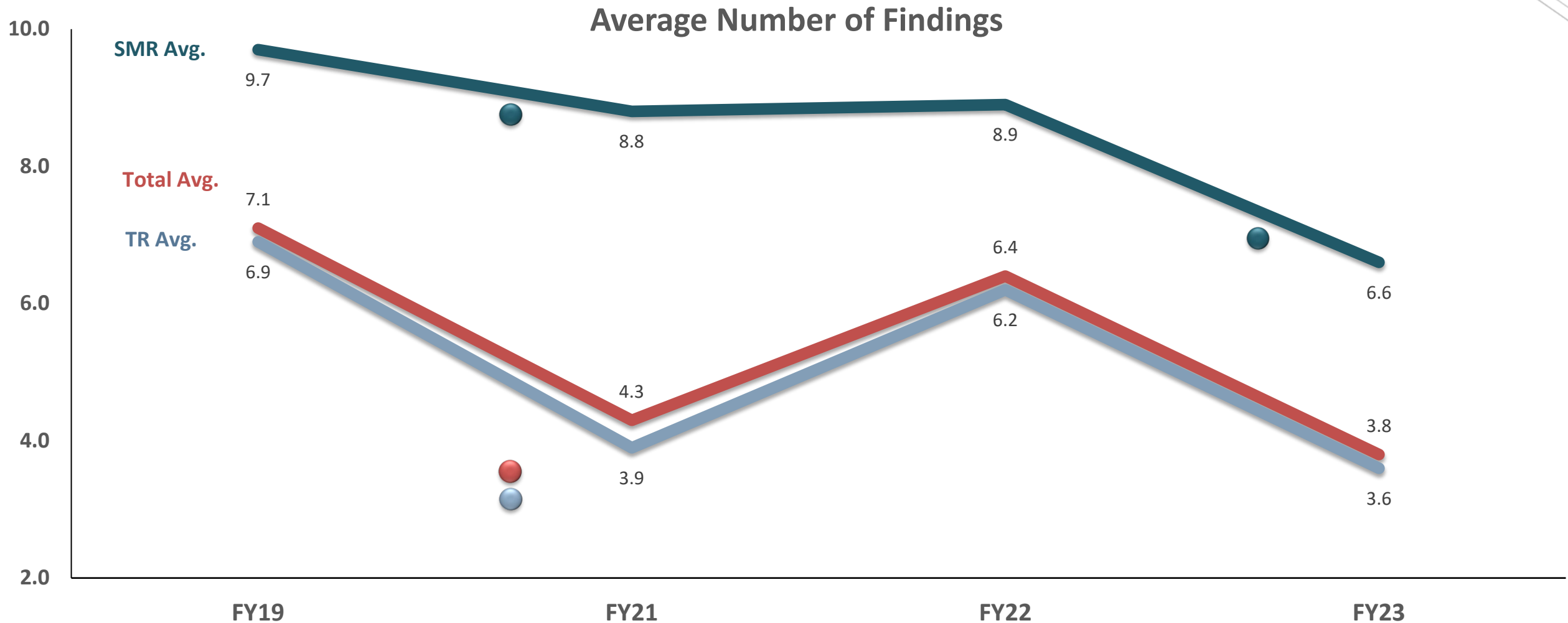
	FY19	FY21	FY22	FY23
SMR Avg.	9.7	8.8	8.9	6.6
Total Avg.	7.1	4.3	6.4	3.8
TR Avg.	6.9	3.9	6.2	3.6

FY23 Top Findings (Combined TR & SMR)

Review Area	Finding	FY23	FY22	FY21	FY19
Procurement	P11-1 - Missing FTA clauses	✔	✔	✔	✔
Disadvantaged Business Enterprise	DBE5-1 - DBE uniform reports contain inaccuracies and/or are missing required information	✔	✔	✔	✔
Procurement	P4-1 - Responsibility determination deficiencies	✔	✔	✔	
Disadvantaged Business Enterprise	DBE11-1 - Unreported transit vehicle purchases	✔			✔
Procurement	P5-1 - Incomplete written documentation of procurement history	✔	✔	✔	
Procurement	P12-2 - Lobbying certifications not included in procurement solicitations or signed by bidders	✔	✔		
Technical Capacity – Award Management	TC-AM2-1 - Incorrect FFR reporting	✔		✔	✔
Procurement	P10-1 - Lacking independent cost estimate	✔	✔	✔	✔
Title VI	TVI2-1 - Language Assistance Plan implementation deficiencies	✔	✔		✔
Drug and Alcohol Program	DA5-1 - Insufficient oversight over drug & alcohol programs of subrecipients, contractors, subcontractors, and/or lessees	✔			

FY23 Top Findings (TR)

Review Area	Finding	FY23	FY22	FY21	FY19
Procurement	P11-1 - Missing FTA clauses	✔	✔	✔	✔
Disadvantaged Business Enterprise	DBE5-1 - DBE uniform reports contain inaccuracies and/or are missing required information	✔	✔	✔	✔
Procurement	P4-1 - Responsibility determination deficiencies	✔	✔	✔	
Procurement	P12-2 - Lobbying certifications not included in procurement solicitations or signed by bidders	✔	✔		
Procurement	P5-1 - Incomplete written documentation of procurement history	✔	✔	✔	
Disadvantaged Business Enterprise	DBE11-1 - Unreported transit vehicle purchases	✔			✔
Technical Capacity – Award Management	TC-AM2-1 - Incorrect FFR reporting	✔		✔	✔
Procurement	P10-1 - Lacking independent cost estimate	✔	✔	✔	✔
Drug and Alcohol Program	DA5-1 - Insufficient oversight over drug & alcohol programs of subrecipients, contractors, subcontractors, and/or lessees	✔			
Satisfactory Continuing Control	SCC9-2 - Non-permitted use of equipment disposal proceeds	✔			

FY23 Top Findings (SMR)

Review Area	Finding	FY23	FY22	FY21	FY19
Technical Capacity – Prog Mgmt & Sub Oversight	TC-PgM7-1 - Inadequate oversight of subrecipients	✓			✓
Procurement	P21-1 - Insufficient oversight of subrecipient procurements	✓	✓	✓	
Technical Capacity – Award Management	TC-AM5-1 - Inactive award/untimely closeouts	✓		✓	✓
ADA – Complimentary Paratransit	ADA-CPT8-1 - Insufficient oversight of subrecipients for ADA complementary paratransit	✓			
Maintenance	M5-1 - Inadequate oversight of subrecipient, contractor or lessee maintenance activities	✓			✓
Disadvantaged Business Enterprise	DBE5-1 - DBE uniform reports contain inaccuracies and/or are missing required information	✓	✓	✓	
Technical Capacity – Award Management	TC-AM4-1 - POP Status Reports missing or lacking required information	✓		✓	✓
Procurement	P20-2 - Pre-award and/or post-delivery audits not performed	✓			
ADA – General	ADA-GEN14-1 - Insufficient oversight of subrecipients for ADA requirements	✓			
Disadvantaged Business Enterprise	DBE14-1 - Insufficient oversight of subrecipients for DBE requirements	✓			

FY24 SMR

Region	Recipient
TRO-01	Maine Department of Transportation*
	New Hampshire Department of Transportation*
TRO-03	Pennsylvania Department of Transportation*
	Virginia Department of Rail and Public Transportation
TRO-04	Mississippi Department of Transportation
	Tennessee Department of Transportation
	Kentucky Transportation Cabinet
	North Carolina Department of Transportation*
	Puerto Rico Highway & Transportation Authority*
TRO-05	Illinois Department of Transportation

Region	Recipient
TRO-06	Oklahoma Department of Transportation
	Texas Department of Transportation
TRO-07	Iowa Department of Transportation
	Kansas Department of Transportation
TRO-08	North Dakota Department of Transportation
	State Of South Dakota Department of Transportation
	Utah Department of Transportation
TRO-09	American Samoa Government
	Commonwealth Office of Transit Authority (Northern Mariana Islands)
	Guam Regional Transit Authority
	Hawaii Department of Transportation
TRO-10	Washington St Department Of Transportation*

FY23 COVID-19 Spot Reviews – Round 3

Region	Recipient
TRO-04	Mississippi Department of Transportation
TRO-07	Iowa Department of Transportation

FY22 COVID-19 Spot Reviews – Round 2 Results

- 31 Spot Reviews have a total of 47 deficiencies
  - ECHO Procedures – 23
  - Eligibility of Expenses – 18
  - Financial Management Systems – 3
  - Other – 3
- 14 State DOTs receiving reviews in Round 2
  - 5 State DOTs have 7 deficiencies
    - ECHO Procedures – 3
    - Eligibility of Expenses – 3
    - Financial Management System – 1
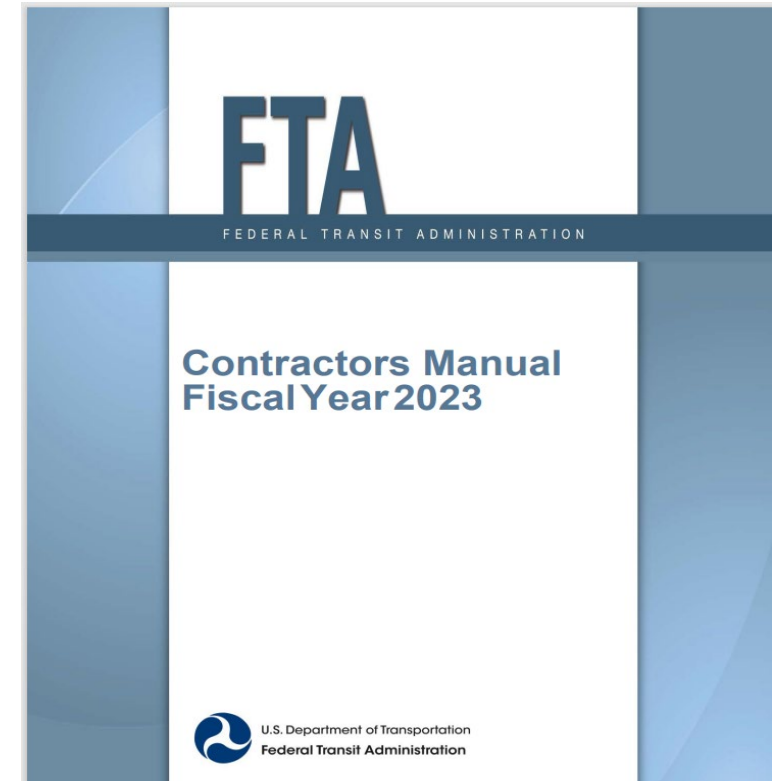
Comprehensive Review Areas

- 23 Review areas
- Review areas include:

  - Legal
  - Financial Management and Capacity
  - Technical Capacity - Award Management
  - Technical Capacity - Program Management and Subrecipient Oversight - 7
  - Technical Capacity – Project Management
  - Transit Asset Management
  - Satisfactory Continuing Control
  - Maintenance
  - Procurement
  - Disadvantaged Business Enterprise

  - ADA – General
  - ADA – Complementary Paratransit
  - Equal Employment Opportunity
  - School Bus
  - Charter Bus
  - Drug-Free Workplace Act
  - Drug and Alcohol Program
  - Section 5307 Program Requirements
  - Section 5310 Program Requirements
  - Section 5311 Program Requirements
  - Public Transportation Agency Safety Plan
  - Cybersecurity

FTA's Comprehensive Review Manual

Each overarching question has six 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: Detailed** description of the basic requirement

4. **Indicators of Compliance**: How reviewers will assess compliance with the basic requirement

5. **Instruction to Reviewer** for Determination: Based on result of indicators

6. **Governing Directives**: Citation from law, regulation, agreement, or other guidance forming the basis of a potential finding

FTA
FEDERAL TRANSIT ADMINISTRATION

**Contractors Manual
Fiscal Year 2023**

U.S. Department of Transportation
Federal Transit Administration

Comprehensive Review Guide

FY23 – Education and Training Activities

- **Training (Workshops and Webinars)**
  - New 5307 Recipient Training
    - Developed and delivered 2 of 5 modules
      - » New resource web page (recorded webinars, training slides, recommended resources)
  - Top 10 Procurement Findings and How to Avoid Them
  - Recipient Information Request Package
- **Revised PSR Program**
  - Proactive approach
  - Enhance understanding of procurement requirements through:
    - Technical assistance
    - Targeted training to address recurring or systemic issues
    - Contractor's Manual as a resource for understanding requirements
  - Online learning modules
  - Resource toolkit

What is the Oversight Tracking System (OTrak)?

- **FTA's official system of record for program oversight data.**

- Oversight activity information includes:

  - Process Stages / Events (activity milestones with dates, ex: final report issuance)

  - Documents (ex: final report, supporting documentation for corrective action closure)

  - Deficiencies / Findings and Corrective Actions

- Recipients receiving the following FY24 oversight reviews will use OTrak:

  - Comprehensive Reviews
    - Triennial Reviews (TRs)
    - State Management Reviews (SMRs)
    - Combined TR/SMRs

  - Procurement System Reviews (PSRs)
    - Full Scope
    - Follow-Up
    - Focus Review

Recipient Tasks for OTrak

- **Grant Colleagues OTrak Access**
  - OTrak access will be managed through FTA's Access and Control Entry System (FACES), similar to the process for the Transit Award Management System (TrAMS) and other FTA Appian databases.
  - Recipient User Managers will grant colleagues access to OTrak and conduct annual recertification.
- **Assign Recipient Points of Contact (POCs) to an Activity**
  - Recipient POCs will receive notifications when there are open corrective actions in OTrak and when FTA responds to a corrective action closure or due date extension request.
- **Corrective Action* Related Tasks**
  - Submit **due date extension requests** for FTA's review, as needed.
  - Submit **closure justifications and supporting documentation** for FTA's review.
- **Access to Information**
  - View / download FY24 final reports.
  - View basic details of previous oversight activity history (ex: FY, activity type).

Recipients will use OTrak for this task only after the final report has been issued.
Prior to the final report's issuance, recipients will work with the FTA region and oversight contractor to resolve any findings / corrective actions.

Recipient Resources for OTrak

- **Preparation for FY24 OTrak Recipient Usage**
  - FTA conducted a pilot with a group of twenty-four (24) recipients receiving a FY23 TR or SMR.
  - FTA is using pilot group feedback to make the OTrak user experience the best it can be for FY24!
- **Points of Contact**
  - Regional FTA Managers (primary)
  - Oversight Review Contractor (during your review)
  - FTA Help Desk, FTAITHelpDesk@dot.gov (for database technical support)
- **Training**
  - OTrak Training will begin in the **spring/summer of 2024**.
    - Recipients will be using OTrak to respond to their corrective actions <u>after their final report has been issued</u>. As such, we will conduct training close to that time.
  - Training materials and recordings will be available in OTrak as well.

*Be sure to check **FTA's OTrak Webpage** for updates:*
https://www.transit.dot.gov/OTrak

Recipient Actions / Feature Expectations

- **Recipient – Actions**
  - Submit FY23 corrective action documentation
  - Request FY23 corrective action due date extensions

- **Oversight Activity – Features**
  - Contacts (FTA Manager(s) and Contracting Company)
  - Process stages/events (view only)
  - Findings / corrective actions
  - Documents (view only)
    » Final reports

- **Homepage – Features**
  - Access to training materials / FAQs
  - View-only basic details of past activities
  - FY23 activity details
    » Quick access links to FY23 activities
    » Notifications/Tasks (homepage and email):
      - Approaching corrective action due dates
      - FTA decisions on closure requests
      - FTA decisions on extensions requests
      - Final report uploads

FY23 Pilot Group

- **State Participants:**
  - Arizona DOT
  - Delaware DOT
  - Minnesota DOT
  - Montana DOT
  - South Carolina DOT
  - West Virginia DOT

Discussion Topics

For those of you who have recently had a review:

- What was most helpful?

- What was your greatest challenge?

- Do you have any suggestions for improvement?

Workshops

- Is the in-person DOT workshop helpful?

- How far in advance of the review should the workshop be conducted?

- Do the benefits of virtual workshops (eliminate cost of travel, allow for more staff to attend) outweigh the loss of peer-to-peer exchanges?

- Do you have suggestions for improvements to current workshops?

Subrecipient Oversight

- What is the greatest challenge with doing subrecipient oversight?

- What can FTA do to assist with subrecipient oversight?

FTA Mission, Vision, Values

MISSION

Improve America's Communities through Public Transportation

VISION

A Better Quality of Life for All Built on Public Transportation Excellence

VALUES

SERVICE	Provide reliable, transparent, responsive, and anticipatory services to meet stakeholder needs
INTEGRITY	Commitment to the highest professional and ethical standards
INNOVATION	Foster new ideas, concepts, and solutions for improved outcomes
SUSTAINABILITY	Optimize decisions, resources, and systems to make long-term positive impacts on the environment, infrastructure, and safety
EQUITY	Remove barriers for systemically underserved communities to access all aspects of economic, social, and civic life