

**REQUEST FOR PROPOSALS (RFP) 3-2872**

**FEDERAL TRANSIT  
ADMINISTRATION COMPLIANCE  
REVIEW SERVICES**



**ORANGE COUNTY TRANSPORTATION AUTHORITY  
550 South Main Street  
P.O. Box 14184  
Orange, CA 92863-1584  
(714) 560-6282**

**Key RFP Dates**

<b>Issue Date:</b>	<b>October 16, 2023</b>
<b>Question Submittal Date:</b>	<b>October 25, 2023</b>
<b>Proposal Submittal Date:</b>	<b>November 13, 2023</b>
<b>Interview Date:</b>	<b>December 5, 2023</b>

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October 16, 2023

**NOTICE OF REQUEST FOR PROPOSALS (RFP)**

**RFP 3-2872: “FEDERAL TRANSIT ADMINISTRATION COMPLIANCE REVIEW SERVICES”**

**TO: ALL OFFERORS**

**FROM: ORANGE COUNTY TRANSPORTATION AUTHORITY**

The Orange County Transportation Authority (Authority or OCTA) invites proposals from qualified consultants to prepare the Federal Transit Administration (FTA) compliance review services.

The budget for this project is \$250,000.00 for a twenty-five (25)-month term.

**Please note that by submitting a Proposal, Offeror certifies that it is not subject to any Ukraine/Russia-related economic sanctions imposed by the State of California or the United States Government including, but not limited to, Presidential Executive Order Nos. 13660, 13661, 13662, 13685, and 14065. Any individual or entity that is the subject of any Ukraine/Russia-related economic sanction is not eligible to submit a Proposal. In submitting a Proposal, all Offerors agree to comply with all economic sanctions imposed by the State or U.S. Government.**

**Proposals must be submitted, electronically, through the following URL link: <http://www.octa.net/Proposal Upload Link>, at or before the deadline of 2:00 p.m. on November 13, 2023. The link has an upload file size limit of 80MB. Authority will not accept hard copy proposals for this RFP.**

Offerors are instructed to click the upload link, select “**RFP 3-2872**” from the drop-down menu, and follow the instructions as prompted to upload the proposal. The upload link will expire at the submittal deadline and will not allow proposals to be uploaded.

Should Offerors encounter technical issues with uploading the proposals via the link provided, Offerors are required to contact the Contract Administrator prior to the submission deadline. Proposals and supplemental information to proposals received after the date and time specified above will be rejected.

Firms interested in obtaining a copy of this RFP may do so by downloading the RFP from CAMM NET at <https://cammnet.octa.net>.

All firms interested in doing business with the Authority are required to register their business on-line at CAMM NET. The website can be found at <https://cammnet.octa.net>. From the site menu, click on CAMM NET to register.

To receive all further information regarding this RFP 3-2872, firms and subconsultants must be registered on CAMM NET with at least one of the following commodity codes for this solicitation selected as part of the vendor's on-line registration profile:

<u>Category:</u>	<u>Commodity:</u>
Professional Consulting	Education and Training
	Consulting
	Training
	Feasibility Studies (Consulting)
	Consultant Services - General
	Accounting / Auditing / Budget
	Consulting
Professional Services	Government Relation Services
	Legislative Advocacy Services -
	Federal

The Authority has established December 5, 2023, as the date to conduct interviews. All prospective Offerors will be asked to keep this date available.

Offerors are encouraged to subcontract with small businesses to the maximum extent possible.

All Offerors will be required to comply with all applicable equal opportunity laws and regulations.

The award of this contract is subject to receipt of federal, state and/or local funds adequate to carry out the provisions of the proposed agreement including the identified Scope of Work.

**SECTION I: INSTRUCTIONS TO OFFERORS**

**SECTION I. INSTRUCTIONS TO OFFERORS**

**A. EXAMINATION OF PROPOSAL DOCUMENTS**

By submitting a proposal, Offeror represents that it has thoroughly examined and become familiar with the work required under this RFP and that it is capable of performing quality work to achieve the Authority's objectives.

**B. ADDENDA**

The Authority reserves the right to revise the RFP documents. Any Authority changes to the requirements will be made by written addendum to this RFP. Any written addenda issued pertaining to this RFP shall be incorporated into the terms and conditions of any resulting Agreement. The Authority will not be bound to any modifications to or deviations from the requirements set forth in this RFP as the result of oral instructions. Offerors shall acknowledge receipt of addenda in their proposals. Failure to acknowledge receipt of Addenda may cause the proposal to be deemed non-responsive to this RFP and be rejected.

**C. AUTHORITY CONTACT**

All communication and/or contacts with Authority staff regarding this RFP are to be directed to the following Contract Administrator:

Jackie Le, Senior Contract Administrator  
Phone: 714.560.5486  
E-mail: jle@octa.net

Commencing on the date of the issuance of this RFP and continuing until award of the contract or cancellation of this RFP, no offeror, subcontractor, lobbyist or agent hired by the offeror shall have any contact or communications regarding this RFP with any Authority's staff; member of the evaluation committee for this RFP; or any contractor or consultant involved with the procurement, other than the Contract Administrator named above or unless expressly permitted by this RFP. Contact includes face-to-face, telephone, electronic mail (e-mail) or formal written communication. Any offeror, subcontractor, lobbyist or agent hired by the offeror that engages in such prohibited communications may result in disqualification of the offeror at the sole discretion of the Authority.

**D. CLARIFICATIONS****1. Examination of Documents**

Should an Offeror require clarifications of this RFP, the Offeror shall notify the Authority in writing in accordance with Section D.2. below. Should it be found that the point in question is not clearly and fully set forth, the Authority will issue a written addendum clarifying the matter which will be sent to all firms registered on CAMM NET under the commodity codes specified in this RFP.

**2. Submitting Requests**

- a. All questions, must be put in writing and received via e-mail at [jle@octa.net](mailto:jle@octa.net) no later than 5:00 p.m., on October 25, 2023.
- b. Requests for clarifications, questions, and comments must be clearly labeled, "Written Questions RFP 3-2872", in the subject line of the e-mail. The Authority is not responsible for failure to respond to a request that has not been labeled as such.

**3. Authority Responses**

Responses from the Authority will be posted on CAMM NET no later than October 30, 2023. Offerors may download responses from CAMM NET at <https://cammmnet.octa.net>, or request responses be sent via e-mail.

To receive e-mail notification of Authority responses when they are posted on CAMM NET, firms and subconsultants must be registered on CAMM NET with at least one of the following commodity codes for this solicitation selected as part of the vendor's on-line registration profile:

Category:

Professional Consulting

Professional Services

Commodity:

Education and Training

Consulting

Training

Feasibility Studies (Consulting)

Consultant Services - General

Accounting / Auditing / Budget

Consulting

Government Relation Services

Legislative Advocacy Services -

Federal

Inquiries received after 5:00 p.m. on October 25, 2023 will not be responded to.

## E. SUBMISSION OF PROPOSALS

### 1. Date and Time

**Proposals must be submitted, electronically**, through the following URL link: <http://www.octa.net/Proposal Upload Link>, at or before the deadline of **2:00 p.m. on November 13, 2023. The link has an upload file size limit of 80MB. Authority will not accept hard copy proposals for this RFP.**

Offerors are instructed to click the upload link, select “**RFP 3-2872**” from the drop-down menu, and follow the instructions as prompted to upload the proposal. The upload link will expire at the submittal deadline and will not allow proposals to be uploaded.

Should Offerors encounter technical issues with uploading the proposals via the link provided, Offerors are required to contact the Contract Administrator prior to the submission deadline. Proposals and supplemental information to proposals received after the date and time specified above will be rejected.

### 2. Acceptance of Proposals

- a. The Authority reserves the right to accept or reject any and all proposals, or any item or part thereof, or to waive any informalities or irregularities in proposals.
- b. The Authority reserves the right to withdraw or cancel this RFP at any time without prior notice and the Authority makes no representations that any contract will be awarded to any Offeror responding to this RFP.
- c. The Authority reserves the right to issue a new RFP for the project.
- d. The Authority reserves the right to postpone proposal openings for its own convenience.
- e. Each proposal will be received with the understanding that acceptance by the Authority of the proposal to provide the services described herein shall constitute a contract between the Offeror and Authority which shall bind the Offeror on its part to furnish and deliver at the prices given and in accordance with conditions of said accepted proposal and specifications.
- f. The Authority reserves the right to investigate the qualifications of any Offeror, and/or require additional evidence of qualifications to perform the work.
- g. Submitted proposals are not to be copyrighted.



**F. PRE-CONTRACTUAL EXPENSES**

The Authority shall not, in any event, be liable for any pre-contractual expenses incurred by Offeror in the preparation of its proposal. Offeror shall not include any such expenses as part of its proposal.

Pre-contractual expenses are defined as expenses incurred by Offeror in:

1. Preparing its proposal in response to this RFP;
2. Submitting that proposal to the Authority;
3. Negotiating with the Authority any matter related to this proposal; or
4. Any other expenses incurred by Offeror prior to date of award, if any, of the Agreement.

**G. JOINT OFFERS**

Where two (2) or more firms desire to submit a single proposal in response to this RFP, they should do so on a prime-subcontractor basis rather than as a joint venture. The Authority intends to contract with a single firm and not with multiple firms doing business as a joint venture.

**H. TAXES**

Offerors' proposals are subject to State and Local sales taxes. However, the Authority is exempt from the payment of Federal Excise and Transportation Taxes. Offeror is responsible for payment of all taxes for any goods, services, processes and operations incidental to or involved in the contract.

**I. PROTEST PROCEDURES**

The Authority has on file a set of written protest procedures applicable to this solicitation that may be obtained by contacting the Contract Administrator responsible for this procurement. Any protests filed by an Offeror in connection with this RFP must be submitted in accordance with the Authority's written procedures.

**J. CONTRACT TYPE**

It is anticipated that the Agreement resulting from this solicitation, if awarded, will be a firm-fixed price contract specifying firm-fixed prices for work specified in the Scope of Work, included in this RFP as Exhibit A. The term of the Agreement will be twenty-five (25) months.

**K. CONFLICT OF INTEREST**

All Offerors responding to this RFP must avoid organizational conflicts of interest which would restrict full and open competition in this procurement. An organizational conflict of interest means that due to other activities, relationships

or contracts, an Offeror is unable, or potentially unable to render impartial assistance or advice to the Authority; an Offeror's objectivity in performing the work identified in the Scope of Work is or might be otherwise impaired; or an Offeror has an unfair competitive advantage. Conflict of Interest issues must be fully disclosed in the Offeror's proposal.

All Offerors must disclose in their proposal and immediately throughout the course of the evaluation process if they have hired or retained an advocate to lobby Authority staff or the Board of Directors on their behalf.

Offerors hired to perform services for the Authority are prohibited from concurrently acting as an advocate for another firm who is competing for a contract with the Authority, either as a prime or subcontractor.

**L. CODE OF CONDUCT**

All Offerors agree to comply with the Authority's Code of Conduct as it relates to Third-Party contracts which is hereby referenced and by this reference is incorporated herein. All Offerors agree to include these requirements in all of its subcontracts.

**M. OWNERSHIP OF RECORDS/PUBLIC RECORDS ACT**

All proposals and documents submitted in response to this RFP shall become the property of the Authority and a matter of public record pursuant to the California Public Records Act, Government Code sections 6250 et seq. (the "Act"). Offerors should familiarize themselves with the provisions of the Act requiring disclosure of public information. Offerors are discouraged from marking their proposal documents as "confidential" or "proprietary."

If a Proposal does include "confidential" or "proprietary" markings and the Authority receives a request pursuant to the Act, the Authority will endeavor (but cannot guarantee) to notify the Offeror of such a request. In order to protect any information submitted within a Proposal, the Offeror must pursue, at its sole cost and expense, any and all appropriate legal action necessary to maintain the confidentiality of such information. The Authority generally does not consider pricing information, subcontractor lists, or key personnel, including resumes, as being exempt from disclosure under the Act. In no event shall the Authority or any of its officers, directors, employees, agents, representatives, or consultants be liable to Offeror for the disclosure of any materials or information submitted in response to the RFP or by failing to notify Offeror of a request seeking its Proposal. The Authority reserves the right to make an independent decision to disclose records and material.

Notwithstanding the above, all information regarding proposal responses will be held as confidential until such time as the evaluation has been completed; an

award has been made by the Board of Directors or Authority Staff, as appropriate; and the contract has been fully negotiated.

**N. STATEMENT OF ECONOMIC INTERESTS**

The awarded Offeror (including designated employees and subconsultants) may be required to file Statements of Economic Interests (Form 700) in accordance with the Political Reform Act (Government Code section 81000 et seq.). This applies to individuals who make, participate in making, or act in a staff capacity for making governmental decisions. The Authority determines which individuals are required to file a Form 700, and if such determination is made, the individuals must file Form 700s with the Authority's Clerk of the Board no later than thirty (30) days after the execution of the Agreement, annually thereafter for the duration of the Agreement, and within thirty (30) days of termination of the Agreement.

**SECTION II: PROPOSAL CONTENT**

## **SECTION II. PROPOSAL CONTENT**

### **A. PROPOSAL FORMAT AND CONTENT**

#### **1. Format**

Proposals should be typed with a standard 12-point font, double-spaced. Proposals should not include any unnecessarily elaborate or promotional materials. Proposals should not exceed fifty (50) pages in length, excluding any appendices, cover letters, resumes, or forms.

#### **2. Letter of Transmittal**

The Letter of Transmittal shall be addressed to Jackie Le, Senior Contract Administrator and must, at a minimum, contain the following:

- a. Identification of Offeror that will have contractual responsibility with the Authority. Identification shall include legal name of company, corporate address, telephone and fax number, and e-mail address. Include name, title, address, e-mail address, and telephone number of the contact person identified during period of proposal evaluation.
- b. Identification of all proposed subcontractors including legal name of company, contact person's name and address, phone number and fax number, and e-mail address; relationship between Offeror and subcontractors, if applicable.
- c. Acknowledgement of receipt of all RFP addenda, if any.
- d. A statement to the effect that the proposal shall remain valid for a period of not less than 120 days from the date of submittal.
- e. Signature of a person authorized to bind Offeror to the terms of the proposal.
- f. Signed statement attesting that all information submitted with the proposal is true and correct.

#### **3. Technical Proposal**

##### **a. Qualifications, Related Experience and References of Offeror**

This section of the proposal should establish the ability of Offeror to satisfactorily perform the required work by reasons of: experience in performing work of a similar nature; demonstrated competence in the services to be provided; strength and stability of the firm; staffing

capability; work load; record of meeting schedules on similar projects; and supportive client references.

Offeror to:

- (1) Provide a brief profile of the firm, including the types of services offered; the year founded; form of the organization (corporation, partnership, sole proprietorship); number, size, and location of offices; and number of employees.
- (2) Provide a general description of the firm's financial condition and identify any conditions (e.g., bankruptcy, pending litigation, planned office closures, impending merger) that may impede Offeror's ability to complete the project.
- (3) Describe the firm's experience in performing work of a similar nature to that solicited in this RFP, and highlight the participation in such work by the key personnel proposed for assignment to this project.
- (4) Identify subcontractors by company name, address, contact person, telephone number, e-mail, and project function. Describe Offeror's experience working with each subcontractor.
- (5) Provide as a minimum three (3) references for the projects cited as related experience, and furnish the name, title, address, telephone number, and e-mail address of the person(s) at the client organization who is most knowledgeable about the work performed. Offeror may also supply references from other work not cited in this section as related experience.

**b. Proposed Staffing and Project Organization**

This section of the proposal should establish the method, which will be used by the Offeror to manage the project, as well as identify key personnel assigned.

Offeror to:

- (1) Identify key personnel proposed to perform the work in the specified tasks and include major areas of subcontract work. Include the person's name, current location, proposed position for this project, current assignment, level of commitment to that assignment, availability for this assignment and how long each person has been with the firm.

- (2) Furnish brief resumes (not more than two [2] pages each) for the proposed Project Manager and other key personnel that includes education, experience, and applicable professional credentials.
- (3) Include a project organization chart, which clearly delineates communication/reporting relationships among the project staff.
- (4) Include a statement that key personnel will be available to the extent proposed for the duration of the project acknowledging that no person designated as "key" to the project shall be removed or replaced without the prior written concurrence of the Authority.

**c. Work Plan**

Offeror should provide a narrative, which addresses the Scope of Work, and shows Offeror's understanding of Authority's needs and requirements.

Offeror to:

- (1) Describe the approach to completing the work specified in the Scope of Work. The approach to the work plan shall be of such detail to demonstrate the Offeror's ability to accomplish the project objectives and overall schedule.
- (2) Outline sequentially the activities that would be undertaken in completing the work and specify who would perform them.
- (3) Furnish a project schedule for completing the work in terms of elapsed weeks.
- (4) Identify methods that Offeror will use to ensure quality control, as well as budget and schedule control for the project.
- (5) Identify any special issues or problems that are likely to be encountered in this project and how the Offeror would propose to address them.
- (6) Offeror is encouraged to propose enhancements or procedural or technical innovations to the Scope of Work that do not materially deviate from the objectives or required content of the project.

**d. Exceptions/Deviations**

State any technical and/or contractual exceptions and/or deviations from the requirements of this RFP, including the Authority's technical requirements and contractual terms and conditions set forth in the Scope of Work (Exhibit A) and Proposed Agreement (Exhibit C), using the form entitled "Proposal Exceptions and/or Deviations" included in this RFP. This Proposal Exceptions and/or Deviations form (Exhibit F) must be included in the original proposal submitted by the Offeror. If no technical or contractual exceptions and/or deviations are submitted as part of the original proposal, Offerors are deemed to have accepted the Authority's technical requirements and contractual terms and conditions set forth in the Scope of Work (Exhibit A) and Proposed Agreement (Exhibit C). Offerors will not be allowed to submit the Proposal Exceptions and/or Deviations form (Exhibit F) or any technical and/or contractual exceptions after the proposal submittal date identified in the RFP. Exceptions and/or deviations submitted after the proposal submittal date will not be reviewed by Authority.

All exceptions and/or deviations will be reviewed by the Authority and will be assigned a "pass" or "fail" status. Exceptions and deviations that "pass" do not mean that the Authority has accepted the change but that it is a potential negotiable issue. Exceptions and deviations that receive a "fail" status means that the requested change is not something that the Authority would consider a potential negotiable issue. Offerors that receive a "fail" status on their exceptions and/or deviations will be notified by the Authority and will be allowed to retract the exception and/or deviation and continue in the evaluation process. Any exceptions and/or deviation that receive a "fail" status and the Offeror cannot or does not retract the requested change may result in the firm being eliminated from further evaluation.



#### **4. Cost and Price Proposal**

As part of the cost and price proposal, the Offeror shall submit proposed pricing to provide the services for each work task described in Exhibit A, Scope of Work.

The Offeror shall complete the "Price Summary Sheet" form included with this RFP (Exhibit B), and furnish any narrative required to explain the prices quoted in the schedules. It is anticipated that the Authority will issue a firm fixed-price contract specifying firm-fixed-prices for individual tasks.

#### **5. Appendices**

Information considered by Offeror to be pertinent to this project and which has not been specifically solicited in any of the aforementioned sections may be placed in a separate appendix section. Offerors are cautioned, however, that this does not constitute an invitation to submit large amounts of extraneous materials. Appendices should be relevant and brief.

### **B. FORMS**

#### **1. Status of Past and Present Contracts Form**

Offeror shall complete and sign the form entitled "Status of Past and Present Contracts" provided in this RFP and submit as part of its proposal. Offeror shall identify the status of past and present contracts where the firm has either provided services as a prime vendor or a subcontractor during the past five (5) years in which the contract has been the subject of or may be involved in litigation with the contracting authority. This includes, but is not limited to, claims, settlement agreements, arbitrations, administrative proceedings, and investigations arising out of the contract. Offeror shall have an ongoing obligation to update Authority with any changes to the identified contracts and any new litigation, claims, settlement agreements, arbitrations, administrative proceedings, or investigations that arise subsequent to the submission of Offeror's proposal.

A separate form must be completed for each identified contract. Each form must be signed by the Offeror confirming that the information provided is true and accurate. Offeror is required to submit one (1) copy of the completed form(s) as part of its proposal and it should be included in only the original proposal.

#### **2. Proposal Exceptions and/or Deviations Form**

Offerors shall complete the form entitled "Proposal Exceptions and/or Deviations" provided in this RFP and submit it as part of the original proposal. For each exception and/or deviation, a new form should be used,

identifying the exception and/or deviation and the rationale for requesting the change. Exceptions and/or deviations submitted after the proposal submittal date will not be reviewed nor considered by the Authority.

**SECTION III: EVALUATION AND AWARD**

### **SECTION III. EVALUATION AND AWARD**

#### **A. EVALUATION CRITERIA**

The Authority will evaluate the offers received based on the following criteria:

- 1. Qualifications of the Firm 30%**  
  
 Technical experience in performing work of a closely similar nature; strength and stability of the firm; strength, stability, experience, and technical competence of subcontractors; assessment by client references.
- 2. Staffing and Project Organization 25%**  
  
 Qualifications of project staff, particularly key personnel and especially the Project Manager; key personnel's level of involvement in performing related work cited in "Qualifications of the Firm" section; logic of project organization; adequacy of labor commitment; concurrence in the restrictions on changes in key personnel.
- 3. Work Plan 25%**  
  
 Depth of Offeror's understanding of Authority's requirements and overall quality of work plan; logic, clarity and specificity of work plan; appropriateness of resource allocation among the tasks; reasonableness of proposed schedule; utility of suggested technical or procedural innovations.
- 4. Cost and Price 20%**  
  
 Reasonableness of the total price; competitiveness with other offers received; adequacy of data in support of figures quoted.

#### **B. EVALUATION PROCEDURE**

An evaluation committee will be appointed to review all proposals received for this RFP. The committee is comprised of Authority staff and may include outside personnel. The committee members will evaluate the written proposals using criteria identified in Section III A. A list of top-ranked proposals, firms within a competitive range, will be developed based upon the totals of each committee members' score for each proposal.

During the evaluation period, the Authority may interview some or all of the proposing firms. The Authority has established December 5, 2023, as the date to conduct interviews. All prospective Offerors are asked to keep this date available. No other interview dates will be provided, therefore, if an Offeror is unable to attend the interview on this date, its proposal may be eliminated from further discussion.

The interview may consist of a short presentation by the Offeror after which the evaluation committee will ask questions related to the firm's proposal and qualifications.

At the conclusion of the proposal evaluations, the evaluation committee will score the proposals to develop a competitive range. Offerors remaining within the competitive range may be asked to submit a Best and Final Offer (BAFO). In the BAFO request, the firms may be asked to provide additional information, confirm or clarify issues and submit a final cost/price offer. A deadline for submission will be stipulated.

**C. AWARD**

The Authority may negotiate contract terms with the selected Offeror prior to award, and expressly reserves the right to negotiate with several Offerors simultaneously and, thereafter, to award a contract to the Offeror offering the most favorable terms to the Authority.

Offeror acknowledges that the Authority's Board of Directors reserves the right to award this contract in its sole and absolute discretion to any Offeror to this RFP regardless of the evaluation committee's recommendation or recommendation of a Board Committee.

The Authority reserves the right to award its total requirements to one Offeror or to apportion those requirements among several Offerors as the Authority may deem to be in its best interest. In addition, negotiations may or may not be conducted with Offerors; therefore, the proposal submitted should contain Offeror's most favorable terms and conditions, since the selection and award may be made without discussion with any Offeror.

The selected Offeror will be required to submit to the Authority's Accounting department a current IRS W-9 form prior to commencing work.

**D. NOTIFICATION OF AWARD AND DEBRIEFING**

Offerors who submit a proposal in response to this RFP shall be notified via CAMM NET of the contract award. Such notification shall be made within three (3) business days of the date the contract is awarded.

Offerors who were not awarded the contract may obtain a debriefing concerning the strengths and weaknesses of their proposal. Unsuccessful Offerors, who wish to be debriefed, must request the debriefing in writing or electronic mail and the Authority must receive it within three (3) business days of notification of the contract award.

**EXHIBIT A: SCOPE OF WORK**

## **SCOPE OF WORK**

### **FEDERAL TRANSIT ADMINISTRATION COMPLIANCE REVIEW SERVICES**

#### **I. BACKGROUND**

The Orange County Transportation OCTA (OCTA or Authority) is a recipient of Federal Transit Administration (FTA) funding for Orange County and is responsible for compliance with applicable FTA circulars and regulations for funds utilized for its own projects and programs, as well as for those that are “passed-through” to subrecipients. Over the decades, OCTA has strived to ensure compliance with these requirements and has achieved “no findings” in two (2) of its most recent FTA Triennial Reviews.

OCTA seeks qualified professional services, experienced in performing FTA Triennial Reviews, to continue this tradition of excellence and help guide the OCTA through new and continually evolving federal requirements and best practices. These services shall provide FTA compliance training for OCTA staff, conduct independent and objective compliance reviews of its subrecipients, and prepare the OCTA for its Triennial Review anticipated to begin in November 2025 for Federal Fiscal Year 2026. As such, the offeror must demonstrate knowledge and experience in conducting FTA compliance reviews for transit agencies.

These reviews and OCTA staff training shall cover all applicable FTA review areas in accordance with FTA’s most recent and applicable Comprehensive Review Contractor’s Manual, which is available at <https://www.transit.dot.gov/funding/grantee-resources/triennial-reviews/triennial-reviews>. To provide guidance on the monitoring and oversight of subrecipients, OCTA developed a FTA Subrecipient Monitoring Procedure Guide to provide guidance to staff in monitoring subrecipient agencies for FTA compliance. A copy of the guide is provided in Attachment A.

Offeror must demonstrate knowledge and experience in conducting FTA compliance reviews for transit agencies.

#### **II. OBJECTIVE**

The objective of this effort is to review and evaluate whether city and agency subrecipients are administering FTA funded programs in accordance with applicable federal rules and regulations, train OCTA staff to ensure compliance with new and evolving requirements and conduct a practice triennial review to prepare the OCTA for its Triennial Review anticipated to begin in November 2025 for Federal Fiscal Year 2026.

### **III. SCOPE OF WORK**

OCTA is seeking a qualified Consultant team with a demonstrated track record of conducting FTA compliance reviews and providing compliance assistance to transit agencies. The entire work plan and all of its activities and tasks shall be performed by the Consultant and the Consultant shall provide all equipment and materials needed to execute the work, unless otherwise noted in this Scope of Work. The Consultant shall not commence any task until directed to do so by OCTA's Project Manager.

The tasks below are organized as five (5) separate tasks. Some tasks may be completed simultaneously. Tasks required to be completed sequentially must be successfully completed and accepted before any work begins on the next. Successful completion includes the delivery of all specified deliverables, meeting all requirements, without any omissions, errors, or other defects as determined by OCTA. Also, all deliveries (initial, intermediate, and final) must be made on time and within the allocated budget according to time and price schedules agreed upon in the executed agreement resulting from this solicitation.

To conclude each task, or at any time during a task, as determined by OCTA, work activities and products shall be reviewed to evaluate their status, gauge progress, and plan next steps. OCTA shall use information gained from these reviews to decide whether to continue or hold work, accept work, closeout a task and move to the next task, or cancel the current task and/or the remainder of the project. Such decisions shall be made solely at OCTA's discretion. Adherence to the project schedule, work quality, and the likelihood of success shall be important inputs to such decisions.

The general task descriptions below serve as an outline or examples to help Offerors formulate their proposals. The Offeror shall describe its intended approach to meeting all objectives in its proposal and demonstrate its success at executing similar previous projects.

### **IV. TASKS**

#### **Task 1: Work Plan and Schedule**

Based on input from OCTA during the kick-off meeting, Consultant shall develop a work plan and schedule to conduct staff training, compliance reviews of up to four (4) subrecipients, and a practice triennial review to help prepare for FTA's Triennial Review anticipated to begin in November 2025 for Federal Fiscal Year 2026. The workplan should address the following:

- General approach for the review(s);
- Consultant's staff assignments for the review(s);



- Consultant's quality control and quality assurance protocols;
- Information needed from OCTA and/or subrecipients; and
- Proposed timeline for completion of all review and training activities.

**Deliverables:**

- Written work plan
- Timeline for reviews

**Task 2: Conduct Up to Four (4) Subrecipient Compliance Reviews**

1. Using the work plan and schedule from Task 1, Consultant shall review and determine the state of compliance of up to four (4) OCTA subrecipients on all applicable FTA review areas. For each review area, the Consultant shall categorize compliance as not deficient, deficient, or not applicable. If a finding of deficient is made, Consultant shall include a recommendation to cure the deficiency.
2. For procurement compliance, Consultant shall review a sampling of federal procurements, not to exceed three (3) procurements, chosen based on risk and procurement type.
3. Upon completion of the reviews, Consultant shall prepare a report that includes a full and detailed discussion of report findings, recommended corrective actions and timeline for corrections. Prior to preparation of the draft report, Consultant shall meet with subrecipient representatives and OCTA staff to discuss the review, findings, and recommendations. The final report, including responses by the subrecipients, shall be submitted in both electronic and hard copy form to OCTA.
4. Consultant shall review and track corrective actions within the agreed upon timeline for correction and provide a status report to OCTA for follow-up as needed.

**Deliverables:**

- Draft reports (electronic copy) for review and responses by OCTA and subrecipients
- Final reports (electronic copy)
- Status report for pending and completed corrective actions (electronic copy)
- All documents submitted by the subrecipients for future OCTA use (electronic copy)

Should OCTA need to present these reports to the Board of Directors, Consultant shall be available to present the reports at meetings of the Finance and Administration Committee and Board of Directors at dates to be determined.

### **Task 3: OCTA Staff Training**

1. Using OCTA's FTA Subrecipient Monitoring Procedure Guide, Consultant shall conduct training to OCTA project and program management staff on the use of the plan, proper processes, and forms, which are intended to provide guidance in monitoring their subrecipients for FTA compliance.
2. Coordinated through the project manager, at least two (2) training sessions shall be conducted to ensure all appropriate staff received adequate training. The training shall include two (2) sessions designed for monitoring two different transit project types:
  - A. Transit vehicles and/or transit service (i.e. operations)
  - B. Transit capital improvements (i.e. construction)

#### **Deliverables:**

- Two (2) Powerpoint presentations and training handouts (electronic copy and hard copy as needed)
- Staff attendance sheet (electronic copy)

### **Task 4: Preparatory Review for FTA Triennial**

Consultant shall develop and implement a mock Triennial review to prepare OCTA for its FTA Triennial Review anticipated in early 2025. The review shall be based on the most current FTA Contractors Review Manual and conducted to mimic FTA's most current review approach. The tasks include:

1. Document requests and reviews
2. Identify potential findings and issue corrective actions.
3. Provide guidance and assistance to staff in implementing corrections.
4. Track corrective actions.

#### **Deliverables:**

- Powerpoint presentation and document review.
- Tracking matrix for findings/corrective actions.

### **Task 5: On-Going Compliance Assistance**

Consultant shall provide on-going guidance and assistance to OCTA regarding compliance matters, including assistance with the interpretation or applicability of

federal rules and regulations, and implementing corrective actions on an as-needed basis. Assistance shall also include assistance in updating existing documents including policies, procedures, samples and guides.

**Deliverables:**

- Assistance as requested.

**V. SCHEDULE**

The Offeror shall include a proposed project schedule for completing the tasks in terms of elapsed weeks, based on its understanding of OCTA's requirements and the proposed work plan. For project planning purposes, OCTA anticipates a project start date in January 2024 or earlier.

**Term:** Effective date of the agreement through January 31, 2026.

**VI. LIMITATION ON GOVERNMENTAL DECISIONS**

Nothing contained in this scope of work permits Consultant's personnel to authorize or direct any actions, votes, appoint any person, obligate, or commit OCTA to any course of action or enter into any contractual agreement on behalf of OCTA. In addition, Consultant's personnel shall not provide information, an opinion, or a recommendation for the purpose of affecting a decision without significant intervening substantive review by OCTA personnel, counsel, and management.



# FTA SUBRECIPIENT MONITORING PROCEDURES GUIDE

Grant Compliance & Program Controls Office  
External Affairs Division

July 2018

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## 1. Introduction and Purpose

The purpose of these FTA Subrecipient Oversight Procedures is to:

- Ensure that all technical specifications and cooperative/subrecipient agreement requirements are met by FTA subrecipients
- Monitor compliance with FTA requirements for FTA-funded vehicles or facilities that are maintained by subrecipients
- Monitor compliance with FTA requirements for transit services provided by subrecipients
- Identify performance issues and non-compliance with FTA requirements, and address them in a timely manner
- Track information regarding performance quality for the purposes of evaluating subrecipients of FTA funds for future grant awards
- Maximize the risk reduction benefits of limited resources

These procedures explain methods of monitoring, persons responsible, frequency, and expected deliverables associated with managing performance and compliance monitoring systems for rolling stock, construction, ADA paratransit, JARC and New Freedom programs, and fixed route services.

## 2. Scope and Applicability

This procedure applies to monitoring performance and compliance for the following types of FTA funded projects/programs:

- Transit
- Planning
- Capital Projects
- JARC and New Freedom

The frequency and type of monitoring will be based upon the following: a) size of the grant or cooperative agreement, b) associated risks, c) service complexity, d) type of grant and e) availability of resources needed to implement the program.

This document has been designed for FTA subrecipient monitoring, but it can be adapted to apply to OCTA direct contractors.

## 3. Subrecipient Definition

A subrecipient is a state or local government authority, non-profit organization, or operator of public transportation services that receives a grant indirectly through a direct grant recipient. This guide is designed for monitoring subrecipients of FTA funds.

To distinguish a subrecipient from a contractor, the following characteristics should be considered in keeping with *2 CFR 200.330 Subrecipient and Contractor Determinations* as derived from *OMB Circular A-*

133, Section 210. It is not expected that all the subrecipient characteristics will be present, and judgment must be used in determining whether a contract represents a subrecipient or contractor relationship.

Federal Award received by a Subrecipient	Payment for Goods and Services (Contractor)
<p>A subrecipient determines the means and methods for carrying out the state or Federal Program.</p> <p>Has responsibility for program decision making within the terms of the agreement.</p>	<p>A contractor provides the goods and services within normal business operations, to many different purchasers. The goods or services are ancillary to the operation of a State or Federal program.</p> <p>Operates in a competitive environment.</p>
<p>Performance is measured against whether the objectives of the Federal program are met</p>	<p>Performance is measured against whether it meets contract specification.</p>
<p>Has responsibility for adherence to applicable Federal program compliance requirements. Must submit periodic progress reports.</p> <p>The Grantee must monitor the subrecipient to ensure funds are properly used.</p>	<p>Has responsibility for adherence to applicable Federal program compliance requirements, depending on the project scope. Must submit periodic progress reports.</p> <p>The Grantee must monitor the contractor to ensure funds are properly used</p>

#### 4. Assessing Monitoring Need and Developing The Monitoring Plan

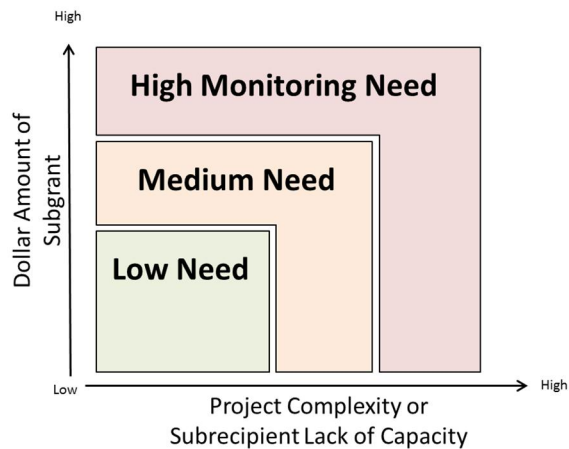
A risk-based approach to monitoring will be undertaken to ensure appropriate scrutiny of FTA subrecipients while maximizing the effectiveness of limited monitoring resources. A range of risk indicators will be used to identify the level of monitoring need for the subrecipient, which in turn will determine the Subrecipient Monitoring Plan schedule. The Monitoring Plan is a living document that should be maintained and updated to reflect any changes in situation or assessment of subrecipients. The Grant Compliance Office within the Government Relations/External Affairs Division is responsible for developing, maintaining, and implementing the Monitoring Plan.

##### Assess Monitoring Need

The Project Manager, in coordination with the Grant Compliance Manager, will assess the level of risk associated with each FTA subrecipient or project that they are responsible for, based on:

- The dollar amount of the subgrant
- The project size and complexity
- The capacity of the subrecipient

The following matrix is used to develop results, based on the completion of the FTA Subrecipient Monitoring Needs Assessment.



A variety of indicators should be used to assess the project complexity or subrecipient capacity. These are summarized in the table below. The Subrecipient Monitoring Needs Assessment (Appendix A) uses multiple choice questions based on these indicators to assess the project complexity and subrecipient capacity and thereby determines the level of monitoring needed.

Project Complexity	Subrecipient Capacity
<ul style="list-style-type: none"> <li>• Length of project</li> <li>• Tight project timelines</li> <li>• Large number of agencies involved that require coordination</li> <li>• Changes in scope of activities</li> <li>• Complexity of program funding/ match requirements</li> <li>• Fixed Route</li> <li>• Paratransit</li> </ul>	<ul style="list-style-type: none"> <li>• Size of subrecipients' Federal award portfolio</li> <li>• Years of experience with managing state or federal funds, and with specific grant program and/or project</li> <li>• Prior findings as identified in audits, federal program monitoring, grantee monitoring</li> <li>• Timeliness in document submission and response to questions</li> <li>• History of non-compliance</li> <li>• History of issues in delivery</li> <li>• Management or staff turnover and experience</li> <li>• Systems for monitoring and keeping records of funds</li> <li>• Stakeholder complaints</li> </ul>

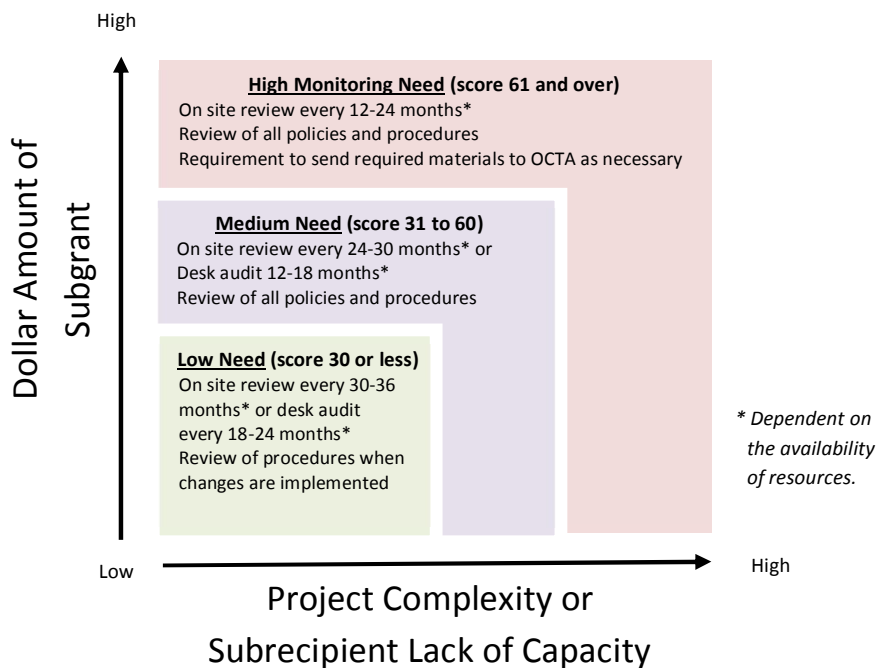
The Subrecipient Monitoring Needs Assessment (Appendix A) should be completed by the Project Manager for each subrecipient at the start of the grant cycle when FTA subrecipients are identified, before any funding agreements are made, and/or annually on an as-needed basis. This is an internal planning document for use in assessing the frequency and approach of subrecipient monitoring activity.



After compiling the questionnaire, the Project Manager will total the scores to establish the subrecipient monitoring level needed. The results will be used to determine the annual plan for recipient monitoring, formal reviews and on-site visits

Subrecipient Questionnaire Score	Monitoring Need
Less than or equal to 40	Low
41-60	Medium
Greater than 60	High
<b>Automatic High Level, regardless of overall score</b>	
A score of 5 on any of the following questions - Section II Q 1 or 4, Section V Qs 1, 2 or 3, Section VI, Q 1: <ul style="list-style-type: none"> <li>No previous experience as FTA subrecipient</li> <li>Material Findings from previous audits</li> <li>No financial management systems in place</li> <li>Drawdown or Invoicing restrictions</li> <li>Consistently late on some or all document reporting</li> </ul>	High

FTA subrecipients that will have a greater level of oversight and more frequent and active monitoring, as outlined in the chart below.



The intensity and frequency of the monitoring is highly dependent on availability of resources, including budgetary constraints and staffing. Detailed descriptions of these monitoring activities can be found in Section 5. Monitoring Process.

The Project Manager will share the findings of the Monitoring Needs Assessment with the Grants Compliance Office and agree to any changes to the monitoring plan where necessary. The Project Manager will notify the FTA subrecipient of the monitoring schedule so they are aware of what is planned. The Grant Compliance Manager may notify the subrecipient upon request by the Project Manager

All Monitoring Needs Assessments will be kept with the Grant Compliance Office for tracking, reporting and historical assessment information.

### **Develop FTA Subrecipient Monitoring Plan**

The FTA Subrecipient Monitoring Plan provides the approach and schedule for monitoring activities for all subrecipients of FTA funds. It contains:

- Policies and procedures that guide the scope and frequency of monitoring activities and corrective actions (*this document*)
- The total FTA subrecipient contract population, including Monitoring Need Assessment
- Monitoring schedule of desk and on-site reviews, and quarterly reporting
- Monitoring checklists - Invoice Review Checklist Sample (Appendix B), Quarterly Report Sample (Appendix C), FTA Subrecipient Review Guide (Appendix D), Capital Project Checklist Sample (Appendix M)
- Summary of findings from previous monitoring cycle and any corrective actions being implemented.

The FTA Subrecipient Monitoring Plan is managed and updated by the Grant Compliance Office, with input from the Project Managers within the Implementing Divisions. It should be reviewed and approved by the Executive Director of External Affairs.

## **5. Monitoring Process**

The monitoring process incorporates the full cycle of grants for subrecipient monitoring. The approach emphasizes both advising the subrecipient of their responsibilities, assessing compliance, and providing guidance as needed.

The subrecipient monitoring process will consist of the following activities:

1. Subrecipient Identification and Monitoring Needs Assessment
2. Elaboration of FTA requirements and subrecipient guidelines
3. FTA subrecipient funding agreement execution
4. Ongoing FTA subrecipient monitoring including certifications, assessments and quarterly reporting requirements
5. Formal compliance reviews, which includes desk and on-site reviews
6. Closeout

The specific tasks and responsibilities for each of these activities are noted below. The frequency of the different activities depends on the assessed monitoring level needed:

Monitoring Process Step		Low	Medium	High
<b>1</b>	Subrecipient Identification and Initial Monitoring Needs Assessment	All Subrecipients	All Subrecipients	All Subrecipients
<b>2</b>	Elaboration of FTA Requirements and Subrecipient Guidelines	All Subrecipients	All Subrecipients	All Subrecipients
<b>3</b>	FTA Subrecipient Funding Agreement Execution	All Subrecipients	All Subrecipients	All Subrecipients
<b>4</b>	Ongoing FTA Subrecipient Monitoring, including: 4.1 SAM Registry Checks	As-needed (min. semi-annually)	As-needed (min. semi-annually)	As-needed (min. semi-annually)
	4.2 Quarterly Report Reviews	Quarterly	Quarterly	Quarterly
	4.2 Invoice reviews	Monthly	Monthly	Monthly
<b>5</b>	Formal Compliance Reviews 5.1 Desk review of submitted documents	Annual Review only policies and procedures that have changed	Annual Review only policies and procedures that have changed	Annual Review only policies and procedures that have changed
	5.2 On Site Review	Every 30-36 months*	Every 24-30 months*	Every 12-24 months*
	5.3 Compliance Review Report	Modified version for desktop, full for on site	Modified version for desktop, full for on site	Modified version for desktop, full for on site
	5.4 Corrective Action Monitoring	Where necessary	Where necessary	Where necessary
<b>6</b>	Closeout	All Subrecipients at end of project	All Subrecipients at end of project	All Subrecipients at end of project

The sequencing of the Formal Compliance Reviews will depend on a number of factors:

- The level of monitoring need: High scoring projects should be prioritized within the Subrecipient Monitoring Plan.
- The duration of the subgrant or funding: Some subgrants may last less than a year. Where possible, oversight through a desk review should occur either during the grant agreement process or within the first quarter of the subgrant performance to allow sufficient time for corrective actions to be closed before the funding ends.

### 5.1 Subrecipient Identification and Initial Monitoring Needs Assessment

The Implementing Divisions will identify potential OCTA subrecipients and eligible projects for inclusion as needed in the Program of Projects (POP) and Program Management Plan (PMP).

A Monitoring Needs Assessment (Appendix A) will be completed by the Project Manager for each identified project and potential subrecipient. The assessment will identify the level of monitoring needed by each potential subrecipient, and any immediate action the subrecipient should undertake to enable better management of FTA funding. This can be undertaken during project selection, or through

information provided in solicitation responses. A desk review can be carried out by the Grant Compliance Office for medium or high scoring cases (see Section 5.5i). The Project Manager and the Grant Compliance Manager will determine whether an on-site visit will be performed. Compliance issues discovered at this stage should be addressed by the subrecipient before the funding agreement is executed.

## **5.2 Elaboration of FTA Requirements and Subrecipient Guidelines**

The Grant Compliance Office will advise subrecipients of federal award information and compliance requirements prior to OCTA awarding or allocating FTA funds. This ensures that potential subrecipients understand the process and requirements before accepting an award of FTA funds. Information can be shared with the subrecipient through training and guidance available through FTA or OCTA resources and provided before a funding agreement is implemented.

This should be done during a call for project solicitation or during a pre-award review by the Implementing Division, with assistance from Contracts Administration and Materials Management Department (CAMM) and Grant Compliance Offices.

The information should include the following:

- CFDA title and number, award name, award number, and award year.
- OMB Circular No. A-133 Subpart D – Federal Agencies and Pass-Through Entities; A-Requirements of A-122 and 2 CFR 225 on eligible costs
- Requirements imposed by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by OCTA
- Applicable oversight areas
- Invoice submission requirements
- Oversight and monitoring documentation requirements

that DUNS and SAMs registrations needs to be completed prior to subaward. Also attached is our grant policy which already references 2 CFR 200.331 Requirements for pass-through entities on Page 14 G(2)(a).

## **5.3 Subrecipient Funding Agreement Execution**

CAMM will prepare and execute subrecipient funding agreements with all OCTA subrecipients of FTA funding. FTA requirements will be stated in the agreement along with the monitoring plans in keeping with *2 CFR 200.331 Requirements for Pass-through Entities* to ensure that every subaward is clearly identified to the subrecipient as a subaward along with the requirements imposed as part of the federal award. The Implementing Division and Grant Compliance Office should review the funding agreement to ensure all applicable compliance requirements are reflected. At the time of agreement execution, the subrecipient will agree to comply with all applicable FTA requirements and to be subject to ongoing monitoring by OCTA as described herein.

#### ***i) Pre-Award Review***

Utilizing the DUNS identification number and/or CAGE Code of the subrecipient entity, the Grant Compliance Office shall conduct a pre-award check using the System for Award Management (SAM) System to ensure the subrecipient organization has maintained an active registration and is not debarred or suspended and is free of exclusions. Should issues arise, CAMM and the project management team shall be notified.

#### ***ii) Entity Information***

The Grant Compliance Office will maintain all pertinent information about each subrecipient including entity identification numbers (DUNS and/or CAGE Codes), contact information, source and amount of funds, and summary project information for inclusion into required FTA reports. All relevant information relating to the oversight of each FTA subrecipient should be maintained in such manner as to be easily and quickly identified, complete, and readily available for use.

### **5.4 Ongoing FTA Subrecipient Monitoring**

The Grant Compliance Office will track and provide assurance of FTA subrecipient monitoring activities through the monitoring plan. Monitoring activities will be completed by Implementing Divisions and in-house compliance experts providing support in their functional areas. These activities include reviewing and approving subrecipient invoices for reimbursement, developing project status information for inclusion in the quarterly Milestone Progress Report and Federal Financial Report, conducting formal on-site compliance reviews, and managing closeout activities. The divisions involved in different monitoring activities are outlined in the section below and summarized in Section 8 Roles and Responsibilities.

#### ***i) SAM Registry Checks***

In keeping with 2 CFR Part 200, the Grant Compliance Office will ensure that subrecipients maintain an active System for Award Management (SAM) registration with current information. SAM registration checks are to be conducted every six months and on an as-needed basis to ensure active SAM registrations are maintained and free of issues. The Grant Compliance Office will maintain a database of entity information and registration expiration dates and notify subrecipients of inactive or expiring registrations through the Project Manager.

#### ***ii) Quarterly Reporting***

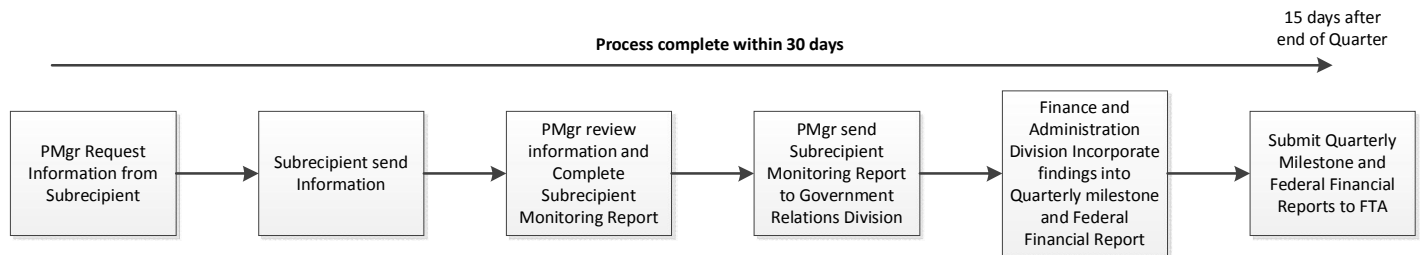
The Project Manager will review program progress on a quarterly basis using the Quarterly Monitoring Report (Appendix C). The Project Manager will request and/or complete relevant supporting documentation as required, and clarify any information with the subrecipient if necessary.

The Monitoring Quarterly Report will be reviewed by the Project manager for completeness and accuracy and sent to the Finance and Administration Division for inclusion in the required quarterly Milestone Progress Report and Federal Financial Report to be submitted to FTA.

The report should include:

- Project Schedule including original and current completion dates
- Funding table, original planned allocation, current estimates, actual expenditures, and remaining allocation.
- Identification of potential challenges or issues associated with project delivery

### Quarterly Subrecipient Monitoring Process



### iii) Invoice Reviews

The Project Manager within the Implementing Division will review all FTA subrecipient requests for reimbursement using an Invoice Review Checklist. A sample checklist is provided in Appendix B. Use of a checklist will help ensure all required supporting documents are submitted and that all requests are eligible for reimbursement using FTA funds.

All invoices will be reviewed to ensure only eligible expenses are charged to FTA grants. If indirect costs are invoiced, the subrecipient must have had prior approval and an approved Cost Allocation Plan (CAP). More detailed notes about allowable costs and CAP approval are provided within Appendix P.

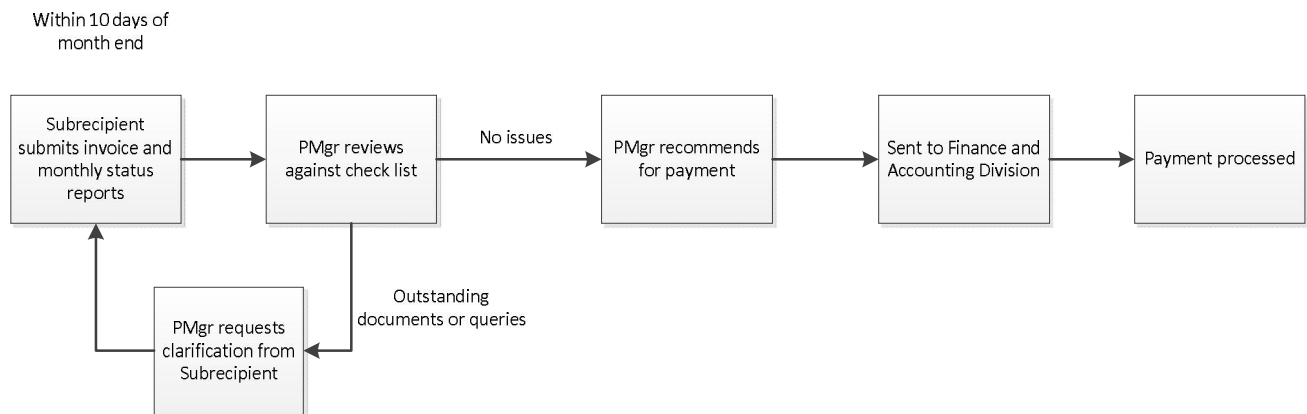
Once reviewed and approved invoice requests will be sent by the Project Manager to Finance and Administration for payment processing.

Recommended Support Documentation:

- Detailed Project Description (First invoice only)
- Invoice
- Vendor/Contract Invoices
- Cancelled Checks or Proof of Payment with Payment Date

- Operating costs from Ledger in Financial system
- Council Action approving Contract (First Invoice Only)
- Cost Estimate Update (First Invoice Only)

## Invoice Review Process



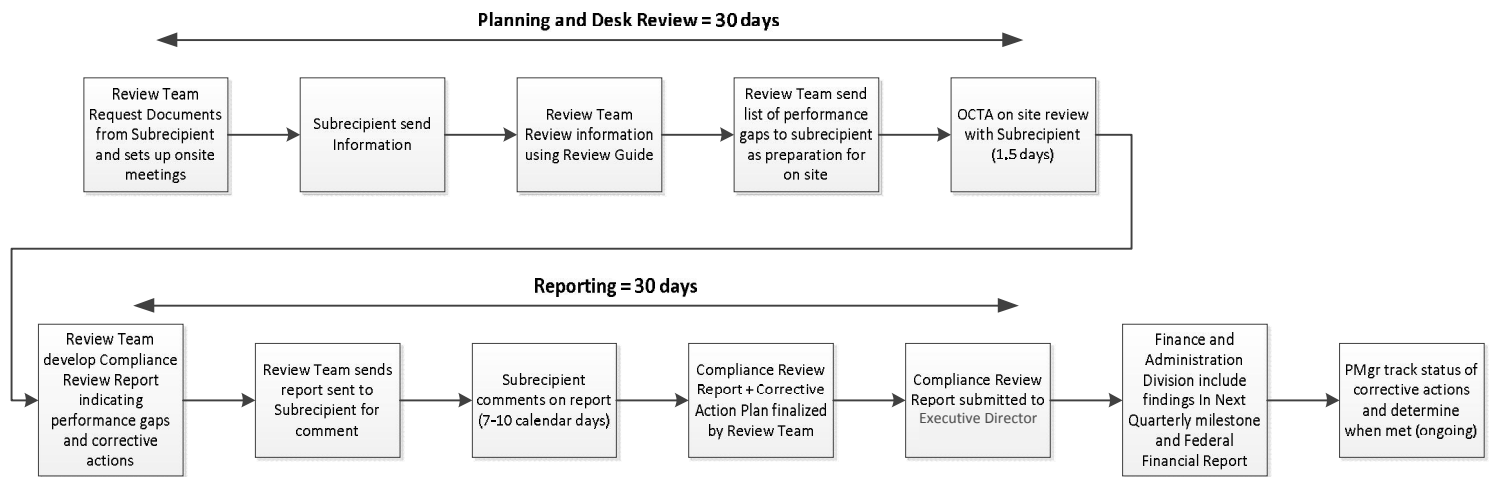
## 5.5 Formal Compliance Reviews

All FTA subrecipients shall receive a desk top review and a formal on-site compliance based on the level of risk using the Subrecipient Review Guide outlined in this Monitoring Plan. The Site visit review frequency will be based on the level of monitoring by each subrecipient or subgrant as outlined in Section 4. Subgrants operating for one year or less will receive a site visit before, or within the first quarter after commitment of the funding agreement. This ensures there is enough time for any corrective actions to be delivered during the course of the subgrant.

These reviews will consist of the following activities:

- Desk Review of Submitted Documents
- On-Site Review
- Compliance Review Report
- Corrective Action Monitoring

## Formal Review Process Desk and On Site Review



All FTA subrecipients will be assessed in the areas of financial management, financial capacity, technical capacity, satisfactory continuing control, Title VI, procurement, drug free workplace, planning/ program of projects and DBE for compliance with FTA requirements. In some cases, the review may consider these areas due to the lack of applicability at the subrecipient. The remaining areas to be reviewed will be based on the size of the grant or cooperative agreement, service complexity, and type of subgrant as indicated in the following chart:

Compliance Area	Capital Projects	Transit	Planning	JARC and New Freedom
<b>Financial Management and Capacity</b>	All subrecipients	All subrecipients	All subrecipients	All subrecipients
<b>Legal</b>	All subrecipients	All subrecipients	All subrecipients	All subrecipients
<b>Technical Capacity</b>	All subrecipients	All subrecipients	All subrecipients	All subrecipients
<b>Satisfactory Continuing Control</b>	All subrecipients	All subrecipients	All subrecipients	All subrecipients
<b>Title VI</b>	All subrecipients	All subrecipients	All subrecipients	All subrecipients
<b>Procurement</b>	All subrecipients	All subrecipients	All subrecipients	All subrecipients
<b>DBE</b>	All subrecipients with over \$250K in FTA contracting opportunities	All subrecipients with over \$250K in FTA contracting opportunities	All subrecipients with over \$250K in FTA contracting opportunities	All subrecipients with over \$250K in FTA contracting opportunities
<b>Maintenance</b>	All subrecipients with FTA funded facilities	All Subrecipients with FTA funded rolling stock or FTA funded facilities	All subrecipients with FTA funded facilities	All Subrecipients with FTA funded rolling stock or FTA funded facilities



<b>Compliance Area</b>	<b>Capital Projects</b>	<b>Transit</b>	<b>Planning</b>	<b>JARC and New Freedom</b>
<b>ADA</b>	All subrecipients with FTA funded facilities	All subrecipients operating fixed route services		All subrecipients operating fixed route or demand response
<b>Half Fare</b>		All subrecipients operating fixed route services		All subrecipients operating fixed route services
<b>Charter Bus</b>		All subrecipients operating Charter services		All subrecipients operating Charter services
<b>School Bus</b>		All subrecipients operating School bus services		All subrecipients operating School bus services
<b>Drug free workplace and drug and alcohol program</b>	All subrecipients with safety sensitive employees	All subrecipients with safety sensitive employees	Drug free workplace	All subrecipients with safety sensitive employees
<b>EEO</b>	All subrecipients with 50 or more transit related employees and either requests or received in excess of \$1M in capital and/or operating assistance or requests or receives in excess of \$250K in planning assistance.	All subrecipients with 50 or more transit related employees and either requests or received in excess of \$1M in capital and/or operating assistance or requests or receives in excess of \$250K in planning assistance.	All subrecipients with 50 or more transit related employees and either requests or received in excess of \$1M in capital and/or operating assistance or requests or receives in excess of \$250K in planning assistance.	All subrecipients with 50 or more transit related employees and either requests or received in excess of \$1M in capital and/or operating assistance or requests or receives in excess of \$250K in planning assistance.
<b>Public Comment</b>		All subrecipients operating fixed route services		All subrecipients that have potential for changes
<b>Planning/Program of Projects</b>	All subrecipients	All subrecipients	All subrecipients	All subrecipients

Subrecipients will be reviewed against the FTA requirements for each area as outlined in the table below. The Subrecipient Review Guide can be found in Appendix D.

<b>Compliance Area</b>	<b>Basic Requirement (Based on 2014 Triennial Review Guidance)</b>
<b>Financial Management and Financial Capacity</b>	The subrecipient must demonstrate the ability to match and manage FTA grant funds, cover cost increases and operating deficits, cover maintenance and operational costs for FTA funded facilities and equipment, as well as conduct and respond to applicable audits.

<b>Legal</b>	The subrecipient must comply with restrictions on lobbying requirements
<b>Technical Capacity</b>	The subrecipient must be able to implement FTA funded projects in accordance with the grant application, Master Agreement, and all applicable laws and regulations, using sound management practices.
<b>Satisfactory Continuing Control</b>	The subrecipient must ensure that FTA-funded property will remain available to be used for its originally authorized purpose throughout its useful life until disposition.
<b>Title VI</b>	The subrecipient 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 subrecipient must ensure that federally supported transit services and related benefits are distributed in an equitable manner.
<b>Procurement</b>	Subrecipients use their own procurement procedures that reflect applicable state and local laws and regulations, provided that the process ensures competitive procurement and the procedures conform to applicable federal law, including 49 CFR Part 18 (specifically Section 18.36) and FTA Circular 4220.1F, "Third Party Contracting Guidance."
<b>DBE</b>	The subrecipient must comply with 49 CFR Part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts. Subrecipients also must create a level playing field on which DBEs can compete fairly for DOT-assisted contracts.
<b>Maintenance</b>	Subrecipients must keep federally funded vehicles, equipment, and facilities in good operating condition. Subrecipients must keep ADA accessibility features on all vehicles, equipment and facilities in good operating order.
<b>ADA</b>	Titles II and III of the Americans with Disabilities Act of 1990 (ADA) 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.
<b>Half Fare</b>	For fixed route service supported with Section 5307 assistance, fares charged elderly persons, persons with disabilities or an individual presenting a Medicare card during off peak hours will not be more than one half the peak hour fares.
<b>Charter Bus</b>	Subrecipients are prohibited from using federally funded equipment and facilities to provide charter service if a registered private charter operator expresses interest in providing the service. Subrecipients are allowed to operate community based charter services excepted under the regulations.
<b>School Bus</b>	Subrecipients are prohibited from providing exclusive school bus service unless the service qualifies and is approved by the FTA Administrator under an allowable exemption. Federally funded equipment or facilities cannot be used to provide exclusive school bus service. School tripper service that operates and looks like all other regular service is allowed.
<b>Drug free workplace and drug</b>	All subrecipients are required to maintain a drug-free workplace for all employees and to have an ongoing drug-free awareness program. Subrecipients receiving Section 5307, 5309 or 5311 funds that have safety-

<b>and alcohol program</b>	sensitive employees must have a drug and alcohol testing program in place for such employees.
<b>EEO</b>	The subrecipient must ensure that no person in the United States shall on the grounds of race, color, religion, national origin, sex, age, or disability be excluded from participating in, or denied the benefits of, or be subject to discrimination in employment under any project, program, or activity receiving federal financial assistance under the federal transit laws. (Note: EEOC's regulation only identifies/recognizes religion and not creed as one of the protected groups.)
<b>Public Comment</b>	Section 5307 subrecipients are expected to have a written, locally developed process for soliciting and considering public comment before raising a fare or carrying out a major transportation service reduction.
<b>Planning/Program of Projects</b>	<p>Planning: The subrecipient must participate in the transportation planning process in accordance with FTA requirements, MAP-21, and the metropolitan and statewide planning regulations.</p> <p>Human services transportation: Subrecipients must participate in a coordinated public transit-human services transportation planning process that identifies the transportation needs of individuals with disabilities, older adults, and people with low incomes; provides strategies for meeting those local needs; and prioritizes transportation services for funding and implementation.</p> <p>Program of Projects (POP): Each recipient of a Section 5307 grant shall develop, publish, afford an opportunity for a public hearing on, and submit for approval, a POP.</p>

Formal Compliance Reviews will be undertaken by a Review Team. The Review team membership will include a Lead Reviewer from the Grant Compliance Office, the Project Manager and specialists from different Divisions as needed. The Review team members will vary between subrecipients depending on resource availability, type of project, and the level of monitoring needed. The Grant Compliance Office is to ensure that members from the relevant divisions and in-house experts are engaged appropriately.

A review team may consist of

- Grant Compliance Office Lead Reviewer
- Project Manager
- Members of F&A, Grants, Procurement/ DBE, Operations, HR/ D&A as required
- Other internal subject matter or compliance experts as required (e.g. in ADA, Title VI, DBE, Procurement, Maintenance)

## ***i) Review of Submitted Documents***

The initial desk review of a new subrecipient should assess all documentation. Thereafter, only new or amended policies and procedures need to be reviewed. For medium or high monitoring requirements, FTA subrecipients, or those whose funded project lasts less than a year, the first review may occur before, or within the first Quarter after execution of the subrecipient funding agreement. For all others the first desk review would be within the first year of the funding agreement.

The level of detail will depend on the determined monitoring needed for the subrecipient, as outlined in the previous sections. For subrecipients with low levels of monitoring needed, only new or amended policies and procedures need to be reviewed. For all other subrecipients, all policies and procedures should be reviewed.

The steps are outlined below:

- **Information Request:** The Review Team will request the relevant documents from subrecipients, based on the Subrecipient Review Guide (Appendix D). The Compliance Review Document List (Appendix E) outlines the relevant documents. A draft letter requesting information can be found in Appendix F. The Subrecipient should be given around 2-3 weeks to collect and submit the required documents.
- **Documentation Review:** The Review team will review the documentation against the Subrecipient Review Guide (Appendix D). Additional documentation or clarification requests may be required.
- **Compliance Review Report:** The Compliance Review Report will be drafted by the Review Team Leader based on the findings, including any corrective actions required (Appendix J). This is outlined in Section 5.5 iii.
- **Updating the monitoring plan:** The Monitoring Needs Assessment Questionnaire (Appendix A) should be updated by the Project Manager based on the review findings, and on an annual basis.

### **Before On-site Review**

- **Information Request:** The Review Team will request relevant documentation at least 4 weeks in advance of the site visit based on the requirements listed in the Subrecipient Review Guide (Appendix D). The Compliance Review Document List (Appendix E) indicates the relevant documents for each area. The requested documents will be determined by the review areas applicable to each subrecipient. A draft letter requesting the information can be found in Appendix G. The Subrecipient should be asked to return the documents at least 2 weeks before the site visit to allow time for review.
- **Review Documentation:** The Review Team will review all submitted documents using the Subrecipient Review Guide (Appendix D). This can record which documents were

received and if there were performance or information gaps exist in meeting the FTA requirements in each area. Questions or areas to follow up on site can be indicated in the 'comments' sections.

- **Pre-visit information:** At least 1 week before the site visit the Review Team should send the Subrecipient the following:
  - Cover Letter (Appendix H)
  - Draft Subrecipient Review Guide. This outlines the documents that were received and areas that will be further investigated onsite, a list of performance or information gaps in advance of the site visit, to allowing the subrecipient to prepare for onsite discussions with OCTA staff.
  - The program for the on-site review to ensure that all relevant staff members are present
  - The chosen sample of procurement files, so that the Subrecipient will ensure all the documentation is ready for review on site.
  - The procurement file review checklist (Appendix I) to help their preparation of the files.

## **ii) On-Site Review**

The Review Team will coordinate the on-site reviews using the FTA Subrecipient Review Guide (Appendix D). It is expected that 2-3 staff would attend onsite to conduct the review based on the results of the desk review. The Review team will chose the individuals that attend each review separately, based on the skills and expertise required for that subrecipient or project. For example, an ADA subject matter expert might attend if the desk review showed missing ADA information or issues regarding ADA requirements.

The on-site reviews will concentrate on performance gaps identified during the pre-site visit documentation review, changes in policies and procedures, risk based assessment of grant management areas, and federally funded procurements.

The on-site reviews will last approximately 1.5 days and will cover the following activities:

- **Entrance Conference** – The first meeting of the site visit between the Review team and subrecipient.

The Review team should introduce themselves, present an overview of the compliance review objectives and process, and confirm arrangements for the review (documents requested, staff interviews, projects or federally funded assets to be inspected,). The subrecipient should have the opportunity to raise any issues they would like to discuss. Appendix N is a template for the Entrance Conference Presentation.

- **Interviews and Review of Outstanding documentation** - Covering any outstanding questions or gaps from the desk review.

- **Visit and Inspect Federally Funded Facilities, Vehicles and Other Major Assets.**

Including, observing the condition of facility and equipment, reviewing preventative maintenance records for a sample of federally funded revenue vehicles and facilities, verifying that the subrecipient has equipment control procedures and reviewing procurement files and other documentation to confirm that the subrecipient has effective and comprehensive oversight procedures.

- **Capital projects monitoring** – Where the FTA subrecipient is delivering a capital project, the Review team should investigate that the subrecipients are adequately managing and monitoring their projects and contractors, and that the required Quality Assurance controls are in place. See Section 7 ‘Ongoing Capital Project Oversight’ below.
- **Preliminary findings of deficiency** – During the review, the Review Team should use the FTA Subrecipient Review Guide (Appendix D) to check all FTA requirements and tabulate the findings within the Exit Conference template (Appendix O). This will help to identify the preliminary findings and ensure all areas are covered while on site.
- **Exit Conference** – the site visit will conclude with an exit conference during which the Review Team will debrief the subrecipient team.

At the exit conference, the preliminary findings of the deficiency will be distributed by the Review Team and discussed with the subrecipient along with proposed corrective actions and milestones for completion. The subrecipient should advise if any comments have been misstated or if there may be obstacles to the implementation of corrective actions.

Appendix O contains a template for the exit conference. The table below indicates the headings used to document findings and an example finding.

Area	Finding	Deficiency	Corrective Action	Response Date
Financial Management & Capacity	Finding	No existing financial plan.	The subrecipient must submit a multi-year financial plan.	10/17/2014

Findings can take a number of forms:

- **‘No finding’**: Subrecipient documentation meets FTA requirements

- **‘Finding’**: Subrecipient is missing documentation or the documentation provided is missing key FTA requirements
- **‘Open Action Items’**: Subrecipients have not yet had to comply with particular Federal Requirements, but will need to do so in the future. For example, a facility capital project does not need a facility or equipment maintenance program during building phases, but the subrecipient should submit a program to OCTA before the facility is operational.
- **‘Not Applicable’**: An area can be deemed not applicable if, after an initial assessment, the subrecipient does not conduct activities for which the requirements of the respective area would be applicable

Each finding will be accompanied by a corrective action that must be completed by the subrecipient to bring the project into compliance with FTA requirements. The corrective actions, along with timescales for completion, form a corrective action plan which the subrecipient will be monitored on. Corrective actions could include developing new policies and procedures, training staff, and monitoring of staff performance to ensure compliant policies are followed. The FTA Subrecipient Review Guide (Appendix D) provides suggestions of corrective actions for each finding.

Corrective actions should be specific, measurable, assignable to the subrecipient and ensure the deficiency is removed. The timescale given for the corrective action should be realistic, but enable the deficiency to be removed as quickly as possible. All corrective actions should be completed within 90 days of the date of the final report.

Some findings may be historic one-off events, for example not completing an equity analysis for a past fare or service change. As it is too late to undertake the analysis as the change has occurred, so the subrecipient should instead be asked to submit procedures ensuring the requirement is not missed in the future. If this is done, the finding would not be carried in future compliance reviews.

### iii) Compliance Review Report

Based on the findings noted in the Exit Conference, the Review Team Leader will develop a report indicating any performance gaps identified in the relevant compliance areas as a result of the review (Appendix J).

The subrecipient will be sent the FTA Compliance Review Report and corrective action plan and should be given 10 business days in which to comment on the corrective actions planned or recommended. Appendix K provides a letter template to send recipients with

the draft report. Amendments to the FTA Compliance Review Report can be agreed by the Project Manager where necessary.

The FTA Compliance Review Report will be presented to the Executive Director of External Affairs prior to transmittal to the subrecipient.

The Grant Compliance Office will keep a copy of the FTA Compliance Review Report and action plan. Findings should be sent to the Finance and Administration Division to be incorporated into the FTA Quarterly Reports.

***iv) Corrective Action Monitoring***

The Project Manager will be responsible for tracking the status of all corrective actions and determining when all corrective action requirements have been met within the agreed timeframe. Progress should be reported to the Grant Compliance Office and the FTA Subrecipient Monitoring Plan updated if additional oversight is necessary. If a subrecipient does not deliver the corrective actions in the agreed timeframe, future payments may be withheld or additional funding may not be provided.

## **5.6 Closeout Reviews**

Grant closeout is the term used to signify the process by which FTA determines that all activities in a grant are complete and Federal funds have been expended.

The Project Manager will conduct a formal Grant Closeout Review prior to closing out any FTA subrecipient cooperative agreement. This ensures all program requirements have been met and properly documented, and that all requests for reimbursement have been processed. Final reimbursements will be held until subgrant closeout has been initiated.

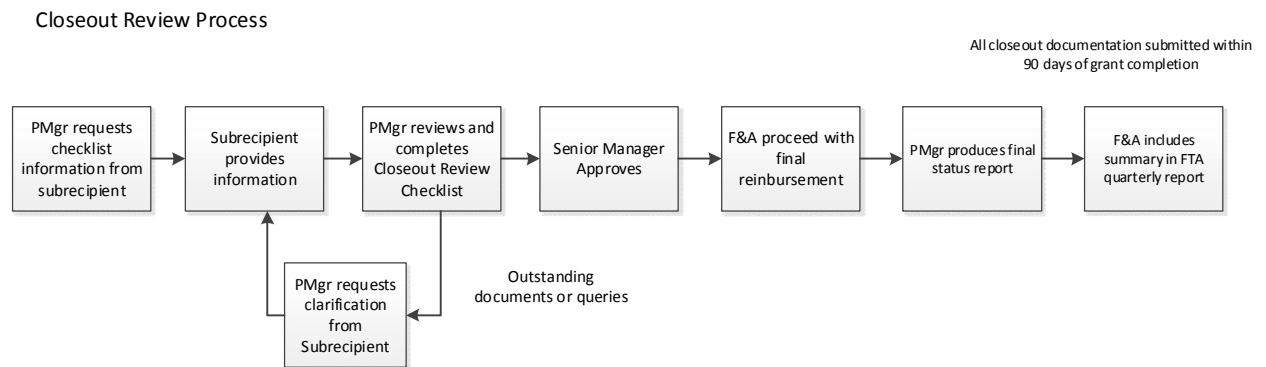
The Government and Relations Team seek assurance from the Finance and Administration Division that FTA grant status is being monitored on a quarterly basis and the closeout procedure is initiated for all FTA grants that meet any of the following criteria:

- Draw-down of the grant has been completed to \$0.
- All required performance elements have been completed.
- The grant was obligated more than three years before, and has not had a disbursement within the past 12 months. Grants that have been inactive for a substantial period of time should be closed unless good explanation can be provided, and activity is likely to resume soon.

All closeout documentation must be submitted within 90 days of the completion of all activities in the grant. A Closeout Checklist should be completed by the Project Manager (Appendix L).



The results of the closeout review will be documented in a final status report for the project/subrecipient. A summary of the closeout activity will be included in the FTA quarterly reports.



## 6. Oversight after grant closeout

FTA maintains an interest in assets (property and equipment) that have been funded by FTA grants until disposition. OCTA Project Managers should be cognizant of FTA requirements that may extend beyond grant closeout, such as maintenance, and continuing control (e.g. use of the property and disposition), where relevant Project Managers may wish to request annual certifications of use, maintenance procedures and inventories, and/or undertake site visit inspections. The requirements for post-closeout oversight should be identified on a subgrant by subgrant basis and included within the OCTA FTA subrecipient monitoring plan.

## 7. Ongoing Capital Project Oversight

OCTA as the recipient of federal funds is fully responsible for the development and implementation of a capital transit project. This includes planning, design, bidding contracts, supervising, administering, inspecting and accepting construction, performing testing and start up.

It is the FTA subrecipient's responsibility to monitor its contractors appropriately. This should be made clear at the start of the project (Elaboration of FTA Requirements and Subrecipient Guidelines).

The FTA provides oversight through its own staff and Project Management Oversight Contractors (PMOC) to ensure that FTA funded transit projects are implemented responsibly and project is progressing in accordance with specifications, special provisions and plans and the methods and practices specified in construction manuals alongside FTA requirements. The PMOC guidelines can be used to highlight the requirements for subrecipient oversight on a capital project.

As part of OCTA’s subrecipient monitoring, the Project Manager and Review Team led by Government and Relations should ensure that subrecipients are adequately monitoring their projects and contractors, and that the required Quality Assurance controls are in place. These can be determined through an ongoing assessment of the areas listed below, using the Capital Project Oversight Checklist (Appendix M).

<p>Project management:</p> <ul style="list-style-type: none"> <li>• Project/ Program Management</li> <li>• Document Management</li> <li>• Procurement and Financial Management</li> <li>• Project Schedule and Milestones</li> <li>• On-site Monitoring and Reporting</li> <li>• Safety, Security and Emergency Oversight</li> <li>• Change Management</li> <li>• Risk Management</li> <li>• Design Control Documentation</li> <li>• Quality Assurance/ Quality Control</li> <li>• Communication</li> <li>• Fleet Management</li> </ul>	<p>Contractor compliance:</p> <ul style="list-style-type: none"> <li>• Construction Administration Documentation</li> <li>• Labor Compliance – including Davis Bacon</li> <li>• Progress Measurement and Payment</li> <li>• EEO/ Wage Rate Posters</li> <li>• Buy America</li> <li>• Technical Capacity</li> <li>• DBE</li> </ul>
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The Capital Project Oversight Checklist can be used at several review points. At a minimum it should be used after the first Quarter of a contract, as part of the Quarterly Reporting undertaken by the Project Manager. If there were delays starting work with contractors on site, the checklist should be re-visited by the Project Manager at the next Quarterly Report once work on site has begun. Use techniques such as earned value to check schedule and budgeting progress through subsequent Quarterly Reports.

Most of the checklist can be covered through reviewing subrecipient documentation. Additional documentation may be required to review project specific requirements as listed in the funding agreement.

Certain areas of Capital Project Oversight Checklist require a site visit to review. For example:

- Davis-Bacon compliance - Spot check construction logs/ diaries against certified payrolls
- EEO/ Wage Rate – check posters clearly visible on construction site
- Compliance with Buy America - Check construction area and contractors yard. Check all pre and post-delivery certifications
- Use of DBE contractors - Check on site use is in accordance with subrecipient comments / practice on site.
- Sample of contract files
- Checks on other construction administration and contractor oversight files such as risk assessments, inspection and testing reports, design drawings

These areas are covered in the Subrecipient Review Guide (appendix D), for use during the onsite formal compliance review (see Section 5.5)

In addition to the formal compliance reviews, it is recommended that Project Managers make regular, short construction site visits in order reinforce OCTA interest in the project and view progress personally. The frequency of such visits (weekly, monthly, and quarterly) will depend on the stage of the project, level of activity on the construction site and monitoring need associated with the subrecipient.

If the Capital Project Oversight Checklist identifies non-compliance, the subrecipient should be made aware of the issue and a corrective action plan agreed upon with OCTA. This can be documented and monitored through the FTA Compliance Review Report (Appendix J), Quarterly Reporting (Appendix C) and more ongoing capital project oversight as determined by the Project Manager. .

## 8. Roles and responsibilities

Role	Responsibilities
<b>Grant Compliance Office</b>	<ul style="list-style-type: none"> <li>• With the Implementing Divisions, identify potential OCTA subrecipients and eligible projects</li> <li>• Provide assistance to Implementing Division when advising subrecipients of FTA requirements (at project solicitation or pre-award audit)</li> <li>• Maintain information on Subrecipients for inclusion in FTA reporting</li> <li>• Maintain and update Subrecipient Monitoring Plan, track subrecipient monitoring activities.</li> <li>• Lead Review Team to undertake formal compliance reviews. Agree with Project Manager Review Team membership. Responsible for developing Site Visit Compliance Review Report.</li> </ul>
<b>Contracts Administration and Materials Management Department (Camm)</b>	<ul style="list-style-type: none"> <li>• Prepare funding agreement for FTA subrecipients</li> <li>• Provide assistance to Implementing Division when advising subrecipients of FTA requirements (at project solicitation, pre-award audit, through the useful life of the project or asset)</li> </ul>
<b>Finance and Accounting Division (F&amp;A)</b>	<ul style="list-style-type: none"> <li>• Owns Quarterly FTA reporting process (MPR, FFR). Develop quarterly FTA reports using information provided by Project Manager and Grant Compliance Office</li> <li>• May form part of Review Team for Formal Compliance Reviews depending on specialist skills required (agreed separately for each subrecipient)</li> </ul>
<b>Implementing Divisions (including Project Manager)</b>	<ul style="list-style-type: none"> <li>• Identify potential OCTA subrecipients and eligible projects for FTA grant funds</li> <li>• Include projects in the Program of Projects (POP) and Program Management Plan (PMP) as needed.</li> <li>• Undertake Monitoring Needs Assessments</li> </ul>

	<ul style="list-style-type: none"> <li>• Review funding agreement</li> <li>• Undertake Invoice Reviews</li> <li>• Undertake Quarterly Reviews</li> <li>• Participate in Review Team for Formal Compliance Reviews</li> <li>• Monitor Corrective Action Plan</li> <li>• Undertake Capital Project Monitoring (as necessary)</li> </ul>
<b>Other Divisions (e.g. Grants, Procurement, Operations, HR/ D&amp;A)</b>	<ul style="list-style-type: none"> <li>• May form part of Review Team for Formal Compliance Reviews depending on specialist skills required (agreed separately for each subrecipient)</li> </ul>
<b>In House Compliance Experts</b>	<ul style="list-style-type: none"> <li>• May form part of Review Team for Formal Compliance Reviews depending on specialist skills required (agreed separately for each subrecipient)</li> </ul>
<b>Executive Director of External Affairs</b>	<ul style="list-style-type: none"> <li>• Approve Subrecipient Monitoring Plan</li> <li>• Review Formal Compliance Review Reports and Corrective Action Plan</li> </ul>
<b>Internal audit/ third party</b>	<ul style="list-style-type: none"> <li>• Undertake an annual audit of OCTA subrecipient monitoring activity, with findings provided to the Grant Compliance Office.</li> </ul>

The table below provides a responsibility matrix outlining the teams involved in different areas.

R (Responsible/ Lead Activity)

A (Accountable/Formally Accept)

S (Support/ Contribute)

C (Consulted/ Review Document)

I (Informed)

‘Other Divisions’ could include Procurement, Operations, HR/D&A, Grants, where their subject matter expertise is required.

Guide Section	Activity	When	Implementing Division	Grant Compliance Office	CAMM	F&A	Other Divisions	In House Compliance Experts	Internal Audit or Third Party	Executive Director
4	FTA Subrecipient Monitoring Plan	Ongoing - Maintained and updated	S	R						A
4	Database of FTA subrecipient information	Ongoing - Maintained and updated	S	R						
5.1	Subrecipient Identification	Opportunity identified, project solicitation	R	S		R				
5.1	Initial Monitoring Needs Assessment	Through solicitation response or pre-award audit	S	R						
5.2	Elaboration of FTA Requirements and Subrecipient Guidelines	Solicitation request or pre-award audit	R	S	S			S		
5.3	Subrecipient Funding Agreement	Before funding awarded	C	C	R					
5.4i)	Invoice Reviews	Monthly Review of Invoices	R	I		I				
5.4ii)	Quarterly Review of Subrecipients	Quarterly	R	I		I				
5.4ii)	Quarterly Reporting to FTA	Quarterly	S	S		R				
5.5i)	Request for documents	Before desk review of documentation (both annual and before site review)	S	R						
5.5i)	Review of Submitted Documents	At both annual desk review and before site review	S	R		where relevant	where relevant	where relevant		

Guide Section	Activity	When	Implementing Division	Grant Compliance Office	CAMM	F&A	Other Divisions	In House Compliance Experts	Internal Audit or Third Party	Executive Director
5.5i)	Compliance Review Report (desk review)	At annual desk review	S	R		I & involved where relevant	where relevant	where relevant		
5.5i)	Revise Monitoring Needs assessment	At annual desk review or after site visit	S	R						
5.5i)	Information Gap report and letter to subrecipients	After desk review before site visit	S	R		where relevant	where relevant	where relevant		
5.5ii)	On site review	Frequency determined by subrecipient and subgrant monitoring need level	S	R		where relevant	where relevant	where relevant		
5.5iii)	Compliance Review Report (site visit)	After site visit. Including comments from subrecipient	S	R		I & involved where relevant	where relevant	where relevant		A
5.5 iv)	Corrective Action Monitoring	If required	S	R		I				
5.6	Closeout Reviews	At end of project	R	S		I				
7	Capital Project Checklist	At first Quarterly Report and annually thereafter (at desk or site review)	R	S		I & involved where relevant	where relevant	where relevant		
	Audit of FTA Subrecipient Monitoring	Annual audit	I	I	I	I	I	I	R	I

## 9. References to Legislative and Regulatory Documents (or as revised)

- FTA Circular 5010.1D, “Grant Management Requirements”
- FTA Circular 4220.1F, “Third Party Contracting Guidance”
- FTA Circular 7008.1A, “Financial Capacity Policy”
- FTA Circular 4702.1B, “Title VI Requirements and Guidelines for Federal Transit Administration Recipients”
- 49 CFR 26
- OMB Circular A-133 Compliance Supplement 2014
- OMB 2 CFR Part 225 “Cost Principles for State, Local and Indian Tribal Governments”
- OMB 2 CFR, Part 230 “Cost Principles for Non-Profit Organizations”
- Urbanized Area Formula Funding program (49 U.S.C. 5307)
- Formula Grants For Other than Urbanized Areas (49 U.S.C. 5311)
- FTA Circular 9030.1E “Urbanized Area Formula Program” (MAP-21)
- Note: Guidance provided under the old circular 9030.1D will continue to apply to grants made with FY 2012 or earlier funds.
- State of Good Repair and Asset Management
- Job Access and Reverse Commute Program (49 U.S.C. 5316)
- New Freedom Program (49 U.S.C. 5317)
- Bus and Bus Facilities (49 U.S.C. Section 5339 / MAP-21 Section 20029)

## 10. Definitions

<b>Capital Asset</b>	Facilities or equipment with a useful life of at least one year, which are eligible for capital assistance.
<b>Capital Lease</b>	Any transaction whereby the subrecipient acquires the right to use a capital asset without obtaining ownership.
<b>Corrective Action Plan</b>	Developed when a review uncovers performance gaps. The subrecipient must implement corrective actions within an agreed timeframe to ensure compliance to FTA requirements.
<b>Cost Allocation Plan (CAP)</b>	A summary of the methods and procedures that an organization uses to allocate cost to a program, grant, contract or agreement. A subrecipient must have a CAP approved by OCTA to invoice indirect costs. They must have a plan for reviewing and revising the CAP and submit a CAP to OCTA annually.
<b>Direct Costs</b>	Direct costs are those that can be identified specifically with a particular final cost objective. For example, Cost of materials acquired, consumed or expended specifically for the purpose of the award,
<b>Equipment</b>	Equipment and other approved capital expenditures. An article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of the capitalization level established by the governmental unit for financial statement purposes, or \$5,000. Includes rolling stock and all other such property used in the provision of public transit service.

<b>Facilities</b>	All or any portion of a building or structure including roads, walks, and parking lots.
<b>Implementing Divisions</b>	The Transit, Planning, and Capital Programs divisions are referred to as the Implementing Divisions.
<b>Indirect Cost</b>	<b>Indirect costs</b> are those included for a common or joint purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.
<b>Project Activity Line Item (ALI)</b>	The description and dollar amount contained in the budget for an approved grant activity associated within a particular scope approved as part of a grant. ALIs under each scope are informational and are used as tools for FTA and the grantee/subrecipient to manage the grant
<b>Subrecipient Monitoring Plan</b>	The approach and schedule for monitoring subrecipients. Including policies and procedures, subrecipient contract list with monitoring needs assessment, monitoring schedule, checklists and findings from previous monitoring cycle.
<b>Subrecipient</b>	A subrecipient is a State or local government authority, non-profit organization, or operator of public transportation services that receives a grant indirectly through a recipient. This guide is designed for subrecipients of FTA funds, received through OCTA.
<b>Subrecipient Funding Agreement</b>	Contractual document between OCTA and the subrecipient outlining the compliance requirements for the FTA funds, including the monitoring processes

## 11. Appendices

The table below contains a list of the tools and templates that accompany this procedure document.

A. FTA Subrecipient Monitoring Needs Assessment
B. FTA Subrecipient Invoice Review Checklist Sample
C. FTA Subrecipient Monitoring Quarterly Report Sample
D. FTA Subrecipient Review Guide
E. FTA Compliance Review Document Checklist
F. Letter to Subrecipients – Desk Review
G. Letter to Subrecipients – On-Site Review
H. Letter to Recipients – Pre-Visit
I. Procurement File Review Checklist
J. FTA Compliance Review Report
K. Letter to Subrecipients – Draft Compliance Report
L. FTA Subrecipient Closeout Review Checklist
M. Capital Project FTA Subrecipient Monitoring Checklist Sample
N. Opening Conference Template
O. Closing Conference Template
P. Allowable Costs and Cost Allocation Plan Review



## **Appendix A**

# **FTA Subrecipient Monitoring Needs Assessment**

## FTA Subrecipient Monitoring Needs Assessment Questionnaire

This Monitoring Needs Assessment has been developed to determine the appropriate level of monitoring for each FTA subrecipient subgrant.

This form should be completed by the project manager at the start of the grant cycle when FTA subrecipients are identified, before any funding agreements are made, and then at least annually thereafter. The assessment should be revised in the event of significant changes to the subgrant or subrecipient operation. Information may need to be requested from the subrecipient directly. The Excel 'FTA Subrecipient Monitoring Needs Assessment' tool can be used to document the scores and calculate the level of monitoring needed.

The level of monitoring needed will influence the approach and frequency of OCTA monitoring activity. The project manager should send the Subrecipient Monitoring Needs Assessment to the Government Relations Division and agree on any amendments to the Subrecipient Monitoring Plan.

### Instructions:

Each question is multiple choice, with a different score (1, 3, 5) for each answer option. Complete all questions and calculate the total score of all answers. The total score indicates the level of monitoring needed (high, medium or low) for the subrecipient subgrant. This is outlined on the last page of the assessment. Particular responses to certain questions lead to an automatic 'High' score. These are highlighted in red and identified with (\*).

Where a question is N/A for the subrecipient or subgrant, score one (1). New or potential subrecipients may score one (1) in a number of areas as they have no proven record in reporting, FTA compliance and Federal Cost Principles.

I. Project Complexity	
<b>1. What is the duration of the project?</b>	
0-12 months	<b>1</b>
12-24 months	<b>3</b>
25 months and over	<b>5</b>
Comments:	
<b>2. How many phases does the project have?</b>	
One phase	<b>1</b>
Some phases	<b>3</b>
Many phases	<b>5</b>
Comments:	
<b>3. How many contractors and/or subcontractors are involved in the project?</b>	
One contractor	<b>1</b>
Some contractors and subcontractors	<b>3</b>
Many contractors and subcontractors	<b>5</b>

Comments:	
<b>4. Complexity of the business environment or program funding/matching requirements:</b>	
Simple program requirements and operations environment	<b>1</b>
Moderately complex program requirements and operations environment	<b>3</b>
Complex operations environment and program requirements	<b>5</b>
Comments:	
<b>5. Has the project experienced changes in scope and schedule?</b>	
No changes	<b>1</b>
A few minor changes in scope and schedule	<b>3</b>
Many changes in scope and/or schedule	<b>5</b>
Comments:	
<b>6. Type of project</b>	
All projects except those listed below	<b>1</b>
Large construction, Environmental, Coordinate with railroad; Design-build projects, Large BRT, New or Small Starts	<b>5</b>
Comments:	

II. General Assessment	
<b>1. Subrecipient experience delivering an FTA Funded Subgrant: *</b>	
5+ years	<b>1</b>
1-4 years	<b>3</b>
No previous experience as FTA subrecipient or recipient*	<b>5</b>
Comments:	
<b>2. Management or staff turnover or reorganization that affects this project or program:</b>	
No turnover or reorganization	<b>1</b>
Little turnover or reorganization	<b>3</b>
Significant turnover or reorganization	<b>5</b>
Comments:	
<b>3. Experience of staff and management assigned to the program:</b>	
5+ years/funding cycles	<b>1</b>
2-5 years/funding cycles	<b>3</b>
Less than 2 years/funding cycles	<b>5</b>
Comments:	

<b>4. Subrecipient timeliness in document submission:*</b>	
Applications, Amendments, Close-out Fiscal or Financial Reporting, Budgets/Revisions Monitoring document requests, Quarterly Reports A-133 audits and corrective action (if applicable)	
On time submission of all documents	<b>1</b>
Rarely late or sometimes late on some documents	<b>3</b>
<b>Consistently late on some or all documents*</b>	<b>5</b>
Comments:	
<b>5. Subrecipient timely response to program/fiscal questions:</b>	
Always timely in response	<b>1</b>
Sometimes late in response	<b>3</b>
Consistently late in response	<b>5</b>
Comments:	
<b>6. Effective written procedures and controls for this program:</b>	
Formal/Written and Distributed to Employees	<b>1</b>
Informal and Formal Policies and Controls	<b>3</b>
No or only informal Policies or Controls	<b>5</b>
Comments:	
<b>7. Operates a fixed route service</b>	
Substantial experience	<b>1</b>
Some experience	<b>3</b>
Little to new experience	<b>5</b>
Comments:	
<b>8. Civil rights</b>	
Has all plans written and endorsed/approved	<b>1</b>
Has some plans written and endorsed, some have questionable status	<b>3</b>
Has few civil rights plans written and approved/endorsed	<b>5</b>
Comments:	
<b>9. Operates a Paratransit or Demand Response</b>	
Substantial experience	<b>1</b>
Some experience	<b>3</b>
Little to new experience	<b>5</b>
Comments:	

<b>10. Outsources transit services</b>	
Has a written oversight plan	<b>1</b>
Has an informal and partially written plan	<b>3</b>
Has only an informal unwritten plan	<b>5</b>
Comments:	

<b>III. Overall Fiscal Assessment</b>	
<b>1. Variations between expenditures and budget:</b>	
No variations	<b>1</b>
Small variations	<b>3</b>
Large and frequent variations	<b>5</b>
Comments:	
<b>2. Subrecipient amount of budget carryover year to year:</b>	
No carryover	<b>1</b>
Small amount of carryover	<b>3</b>
Large amount of carryover	<b>5</b>
Comments:	
<b>3. Difficulty meeting matching requirements:</b>	
Always meets matching requirements (No difficulty)	<b>1</b>
Meets matching requirements most of the time (Some difficulty)	<b>3</b>
Consistently has difficulty meeting matching requirements	<b>5</b>
Comments:	

<b>IV. Legal Assessment</b>	
<b>1. Does the subrecipient have or previously had a lawsuit(s) filed against them? (Obtain all necessary documentation if answer is yes)</b>	
No previous or current lawsuits	<b>1</b>
Has previously had a lawsuit	<b>3</b>
Has a lawsuit	<b>5</b>
Comments:	
<b>2. Subrecipient staff that have been jailed, convicted of a felony or are currently under criminal investigation:</b>	
No staff jailed, convicted or currently under criminal investigation	<b>1</b>

Has staff that has been jailed, convicted or is currently under criminal investigation	5
Comments:	

V. Monitoring/Audit Assessment	
<b>1. Have there been material Audit findings from the A-133 Audit or any other Internal Audit:*</b>	
No material findings	1
Some findings, not material	3
Has material findings*	5
Comments:	
<b>2. Have there been any previous audit findings (i.e. other comprehensive audit, Internal Audit)?*</b>	
No material findings	1
Some findings, not material	3
Has material findings*	5
Comments:	
<b>3. Has the subrecipient been debarred or suspended or been on restricted drawdown? If so, when?*</b>	
Never debarred or suspended, restricted	1
Has been debarred or suspended, restricted*	5
Comments:	
<b>4. Corrective Action Plans (CAP) and Resolution (Obtain copy)</b>	
No outstanding CAPs past or current	1
Has had CAPs but some have been resolved on time	3
Has CAPs and most are not resolved on time	5
Comments	

VI. Financial Systems Assessment	
<b>1. Does the sub-recipient have a financial management system in place to track and record program expenditures (Examples: QuickBooks, Visual Bookkeeper, Peachtree, or a Customer Proprietary System)?*</b>	
Yes, has financial management system in place	1
No financial management system in place*	5
Comments:	

<b>2. Does the accounting system identify the receipts, time and expenditures specific to grant funds, as well as the grant funded project?</b>	
Accounting system identifies receipts, time and expenses of program funds separately for each grant fund and each grant funded project	<b>1</b>
Accounting system identifies receipts, time and expenses of program funds but does not separate for both grant funds and projects	<b>3</b>
Accounting system does <b>not</b> identify receipts, time and expenditures of program funds	<b>5</b>
Comments:	
<b>3. Does the sub-recipient have a time and accounting system to track time and expenditures by cost objective?</b>	
Yes, subrecipient has a time and accounting system to track time and expenditures by cost objective	<b>1</b>
Subrecipient has a time and accounting system but does not track time and expenditures by cost objective	<b>3</b>
Subrecipient does <b>not</b> have a time and accounting system to track time and expenditures	<b>5</b>
Comments:	

Once assessment is complete, total the scores to determine the Risk level using the table below.

Subrecipient Questionnaire Score	Monitoring Need	Total of score
Less than 30	Low	
31 to 60	Medium	
Greater than 60	High	
<b>Automatic High Level, regardless of overall score</b>		
A score of 5 on any of the following questions - Section II Q 1 or 4, Section V Qs 1, 2, and 3, Section VI, Q 1 <ul style="list-style-type: none"> <li>No previous experience as FTA subrecipient</li> <li>Consistently late on some or all document reporting</li> <li>Material Findings from previous audits</li> <li>Drawdown or invoicing restrictions</li> <li>No financial management systems in place</li> </ul>	High	

## **Appendix B**

### **FTA Subrecipient Invoice Review Checklist Sample**



## FTA Subrecipient Invoice Review Checklist Sample

**Contract/Recipient Number**

**Invoice Number**

**Project Title**

**Invoice Date(s)**

**Subrecipient**

**Invoice Value**

**Purchase Order #**

**Actual Local Match**

**%**

**Contract Value**

**Payments to Date**

**Project Manager**

**Division**

### *Type of Contract*

☐ Fixed Price

☐ Fixed Unit Price

☐ T&M

☐ Construction Management Services

### *Payment Terms*

Milestone

☐ Yes

☐ No

Progress

☐ Yes

☐ No

Emergency

☐ Yes

☐ No

### *Applicable Wage Rates*

☐ Davis Bacon

### **1. Supporting Documentation**

#### **a. Project Description**

(Invoice #1)

☐ Yes ☐ No ☐

N/A

#### **b. Project Location**

(Invoice #1)

☐ Yes ☐ No ☐

N/A

#### **c. Project Site Photos**

(where applicable)

☐ Yes ☐ No ☐

N/A

#### **d. Vendor / Contract Invoices**

☐ Yes ☐ No ☐

N/A

#### **e. Purchase Orders**

☐ Yes ☐ No ☐

N/A

### **Comments**

**f. Cancelled Checks or proof of payment with payment date**

☐ Yes ☐ No ☐  
N/A

**h. Operating costs**

(from Ledger in Financial system)

☐ Yes ☐ No

**i. Cost estimate update**

(Invoice #1)

☐ Yes ☐ No ☐  
N/A

**2. Invoice - Format as per Contract**

☐ Yes ☐ No

**3. Review of Rates**

**a. Complies with Contract Pricing**

Including Local Match Level

☐ Yes ☐ No

**b. Reflects Current Wage Rates**

☐ Yes ☐ No

**4. Performance within Terms of Contract**

☐ Yes ☐ No

**5. Complies with Established Contract Cost/ Price**

☐ Yes ☐ No

**6. If Subrecipient had invoiced indirect costs, have they...**

**a) Had prior approval?**

☐ Yes ☐ No ☐

b) An approved Cost Allocation Plan (CAP)? And, do the invoiced indirect costs follow the agreed CAP?

N/A	
<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>	
N/A	

7. Costs Questioned:

Type	Value	Allowable Cost?	Comments
		<input type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Yes <input type="checkbox"/> No	

8. Retainage      \$                      %                      9. Cost approved

\_\_\_\_\_

Approval	Signature	Date
Project Manager		

## **Appendix C**

### **FTA Subrecipient Monitoring Quarterly Report Sample**

## FTA Subrecipient Monitoring Quarterly Report Sample

<b>Date</b>		<b>FY/QTR</b>	
<b>Contract Number</b>		<b>Project Manager</b>	
<b>Project Title</b>		<b>Division</b>	
<b>Subrecipient/ Agency</b>		<b>Local Match</b>	<b>%</b>
<b>Contract Value</b>		<b>Payments to Date</b>	

**1. Scope of Project:**

**2. Current Quarter Accomplishments:**

**3. Findings or concerns that need to be addressed:**

**4. Corrective Actions Planned and Timing**

**5. OCTA Assistance Needed**

**6. Update on Milestone progress (complete for each activity line item)**

Milestone	Original estimated completion date	Revised estimated completion date	Actual completion date
X			
XXX			
XXX			

5. For each revision to the milestone plan, please provide:

Milestone	Explanation: Why were scheduled milestones or completion dates not met?  What problems were identified?	Response: How will problem be solved, and impact mitigated?	Expected Impact

## 6. Project cost variances

Note: different quantitative measures will be applicable for different projects. The below are provided as examples. The most relevant data should be requested from subrecipients

		Actual this quarter	Budget this quarter	Difference (budget-actual)	Actual to date	Planned budget to date	Difference (budget-actual)	Required to complete project	Remaining budget to complete project	Difference (budget-actual)
Progress measures	Hours Worked									
	Units Delivered									
	Sections completed									
Cost - line items (amend as relevant)	XXXX									
	XXX									
	XXX									

**6b) Analysis of project cost variances:** Any concerns the above analysis raises (i.e. greater cost incurred than activity achieved)

**7. Please list all potential and executed change orders of amounts exceeding \$100,000, pending or settled during the last Quarter**

Change order No.	Date issued	Date executed	Amount	Brief Description

**8. Please list all claims settled during the last Quarter, and all outstanding claims that**

- exceed \$100,000
- involve a controversial matter (irrespective of amount)
- involve a highly publicized matter (irrespective of amount)

Claim No.	Date issued	Date executed	Amount	Brief Description

**9. Please list all real property acquisition actions during the quarter**

**10. Civil rights compliance issues identified or complaints raised (ADA, Title VI, DBE, EEO)**



**11 Please list any corrective actions outstanding during this reporting period and outline progress**

Review Area	Deficiency	Corrective Action	Response Due date	Brief Description of progress (including completion date where relevant)

**If the corrective actions have not been completed by the response due date:**

**11b) What are the reasons for the delay?**

**11c) OCTA response:**

## **Appendix D**

### **FTA Subrecipient Review Guide**

# FTA Subrecipient Review Guide

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## Financial Management and Financial Capacity

*All Subrecipients*

*If option is red & underlined, see finding and corrective action.*

Document #1: Written financial policies and procedures			Finding & Corrective action	Comments
1. Does the subrecipient have financial policies and procedures?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>No written financial policies and procedures</i>  Subrecipient must document its financial functions in written policies and procedures.	
a. If yes, do procedures address preparation of reports that compare actual expenses against budgets?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>No process / procedure for comparing actual expenses to budget</i>  Direct subrecipient to document variance analysis its financial functions in written policies and procedures	

Document #2 #3 and #4: Audited financial statements for the past three years and comprehensive annual financial report (CAFR)			Finding & Corrective action	Comments
2. Does the subrecipient have audited financial statements for the past three years?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Annual audit not conducted</i>  Direct subrecipient to have annual audits conducted	
3. Does the subrecipient have A-133 Single Audit Reports management letter comments for the past three years?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Single audit submissions deficient</i>  Direct subrecipient to submit single audits, management letter comments, and with a process to ensure that future submissions are	

			completed	
4. Does the subrecipient have a Comprehensive Annual Financial Report (CAFR)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	CAFR not conducted  Direct the subrecipient to develop a CAFR as a standard practice	
a. If yes to 2), 3) or 4) Were there any audit findings?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	N/A	
b. If yes to a) Did subrecipient submit a management letter to OCTA?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Subrecipient had audit findings but did not formally notify OCTA.  Direct subrecipient to submit single audits, management letter comments, and with a process to ensure that future submissions are completed	

Document #5: OIG or GAO audit reports with findings relating to FTA			Finding & Corrective action	Comments
5. Does the subrecipient have OIG or GAO audit reports with findings relating to FTA?	<input type="checkbox"/> Yes	N/A	N/A	
a. If yes: Did subrecipient resolve/close the audit findings?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Unresolved OIG or GAO audit findings	
b. Does the GAO note any issues related to financial management or capacity?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Subrecipient must submit evidence of the resolution of all outstanding review deficiencies by the GAO, OIG and/or any other local or state audits.	

Document #6: Three to five year capital and operating financial plan			Finding & Corrective action	Comments
6. Does the subrecipient	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	No existing financial plan	

have a three to five year capital and operating financial plan?			Subrecipient must submit a multi-year financial plan	
a. If yes: Does the capital and operating financial plan project the required number of years?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Financial plan lacks required details</i>	
b. Does the plan show operating and capital revenues and expenses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	Subrecipient must submit a multi-year financial plan	

Document #7: Documentation of matching funds			Finding and Corrective Action	Comments
7. Does the subrecipient have a documentation of matching funds?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Ineligible local match</i>  Subrecipient must provide documentation that the funds it uses for local match are eligible (including any volunteer or in-kind services) and establish procedures for drawdowns/invoicing to demonstrate appropriate use of FTA versus matching funds	
a. If yes: Are revenue sources stable and reliable enough to meet future operational and routine capital costs?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Match funding is not secure or in-kind contributions are insufficiently documented</i>	
b. If matched funding is through in-kind contributions: a) has the value been documented and supported, b) does the cost represent a cost that would otherwise be eligible under the program, and c) are the in-kind costs included in	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	Subrecipient must provide documentation that the funds it uses for local match are eligible (including volunteer or in-kind services) and establish procedures for drawdowns/invoicing to demonstrate appropriate	

the new project costs in the project budget?			use of FTA versus matching funds.	
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*If the subrecipient charges indirect costs:*

Document #8: Cost allocation plan and cognizant agency correspondence/approval			Finding & Corrective Action	Comments
8. Does the subrecipient have a Cost allocation plan and cognizant agency correspondence/approval?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Cost allocation plan deficiencies</i>  Subrecipient must obtain cognizant agency* approval of the CAP and provide procedures for updating and submitting the plan annually	
a. If yes: Did subrecipient submit its CAP for approval to cognizant agency?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>CAP not approved or not up to date.</i>  Subrecipient must obtain cognizant agency approval of the CAP and provide procedures for updating and submitting the plan annually	
b. Has subrecipient updated plan annually and retained it for audit and/or updated that plan if required?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		

\*The cognizant agency is that which provides the largest amount of federal funds to the subrecipient

## Legal

### All Subrecipients

If option is red & underlined, see finding and corrective action.

Document 1: Disclosure documentation			Finding and Corrective Action	Comments
1. Does the subrecipient have documentation that proper disclosures have been made and filed with the subrecipient on the OMB Standard Form LLL?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Lobbying disclosure issue</i>  Subrecipient must submit documentation as required and develop and/or document the process to ensure timely reporting in the future	



## Technical Capacity

### All Subrecipients

If option is red & underlined, see finding and corrective action.

Document #1: Grant administration procedures, if written			Finding and Corrective action	Comments
1. Does the subrecipient have written grant administration procedures?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>No written grant administration policies and procedures</i>  Subrecipient must submit documented grant administration procedures	

Document #2 and #3: Grant closeout schedule and list of subgrants with 95% expenditures complete			Finding and Corrective action	Comments
2. Does the subrecipient have a list of any subgrants with 95% expenditures complete?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Inactive grants/untimely closeouts tie to the lack of procedures as well</i>	
a. If Yes: Does the subrecipient have a large number of grants that should potentially be closed out? I. Are any grants 100% disbursed? II. Have any grants been obligated more than three years ago and have not had a disbursement in the past 12 months?	<input checked="" type="checkbox"/> <u>Yes</u>	<input type="checkbox"/> No	Direct subrecipient to submit procedures for spending older funds first, tracking projects, identifying project balances, reprogramming the unused project funds to other projects, or closing out the projects.	
b. Does the subrecipient have a grant close out schedule that contains: I. Final Financial Report II. Final budget revision reflecting project cost by scope and activity III. Final narrative milestone/progress report including a discussion of each activity line item contained in the final	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		

IV. budget A list of equipment purchased under the subgrant				
V. Request to deobligate any unexpended balance of Federal funds as applicable				

Document #3: Force accounts plans/ justifications/ approvals (if force account work over \$100,000)			Finding and Corrective action	Comments
3. Does the subrecipient have force accounts plans/ justifications/ approvals?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<i>Lacking force account plan/ required justification</i>  Direct subrecipient to develop and submit a force account plan and justification as detailed in FTA Circular 5010.D for use of its own workforce on capital improvement projects and procedures for developing force account plans when required.	
a. If yes: Does the plan include a justification for using force account work including one of the four conditions: I. Cost savings II. Exclusive expertise III. Safety and efficiency of operations IV. Union agreement	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
b. If force account work is over \$10 Million, has FTA approval been given?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		

Document #4: Quarterly reporting documents (MPR/FFR inputs)			Finding and Corrective action	Comments
4. Does the subrecipient have Quarterly reporting documents (MPR/FFR inputs)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<i>Late or incomplete quarterly reporting documents</i>  Subrecipient must submit delinquent reports for the most recent period and procedures for submitting reports with all required information	
a. If yes: Has the subrecipient missed any required quarterly reports?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		
b. Do the subrecipient's quarterly financial reports include: I. Cash on hand at the beginning of the period II. Cash receipts III. Cash disbursed	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		

IV. OCTA share of expenditures			on time.	
V. Subrecipient share of expenditure				
VI. Unliquidated obligations				

*If subrecipient is using contractors, transit management or service contractors*

Document #5: Oversight procedures for contractors			Finding and Corrective action	Comments
5. Does the subrecipient have oversight procedures for contractors?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<i>Inadequate oversight of third part contractor/lessees</i>  Subrecipient must submit procedures and a staffing plan to monitor other entities with responsibility for meeting FTA requirements.	
a. If yes: Has subrecipient reviewed documentation to ensure that contractors meet all statutory and program requirements?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
b. Does subrecipient have a system/procedures/mechanism in place to monitor contractors?  Note: Systems may include applications/requests for proposals, monthly quarterly or annual reports, meetings, site visits, and vehicle/facility inspections.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		

*Document 6 is applicable if the subrecipient is working on a capital project:*

Document #6: Procedures for technical inspection/supervision of capital projects			Finding and Corrective action	Comments
6. Does the subrecipient have procedures for <u>technical inspection/ supervision</u> of the capital project?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<i>No procedures for technical inspection/supervision of work in progress</i>  The subrecipient must submit project management procedures for existing or future projects to	
a. If yes: Do the procedures provide for continuous progress monitoring of the capital project?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
b. Do any of the subrecipient's monthly progress reports indicate unexplained capital	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		

project delays?			<p>address deficiencies identified.</p> <p><i>Subrecipient oversight of capital project lacking</i></p> <p>The subrecipient must submit explanations for any capital project delays and submit project management procedures for existing or future projects to address deficiencies identified</p>	
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#### On site Visit Document Review

*Document 1 and 2 are applicable if the subrecipient is working on a construction project:*

Document #1 : Construction logs and diaries			Finding and Corrective action	Comments
1. Do the construction logs and/or diaries match against certified payrolls, and show compliance to David Bacon requirements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<p><i>Subrecipient oversight of contractors lacking. Not complying with David Bacon Requirements.</i></p> <p>The subrecipient should immediately suspend any payment to contractors that are not in compliance and seek advice from OCTA/ FTA regarding further enforcement required.</p>	

Document #2: Davis Bacon Wage rate posters on site			Finding and Corrective action	Comments
2. Is the Davis Bacon wage rate poster in a prominent and	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<i>Subrecipient oversight of</i>	

accessible place where it may be easily seen by employees?			<p><i>contractors lacking. Not complying with David Bacon Requirements.</i></p> <p>The subrecipient should submit evidence that wage rate poster is displayed correctly.</p>	
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## Maintenance

*All Subrecipients with FTA funded rolling stock or FTA funded facilities*

*If option is red & underlined, see finding and corrective action. Put N/A where not applicable*

Document #1 and #2: Maintenance Plans			Finding and Corrective action	Comments
<ul style="list-style-type: none"> <li>- <b>Vehicles</b></li> <li>- <b>Facilities and Equipment</b></li> </ul>				
1. Does the subrecipient have a vehicle maintenance plan (if applicable)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<p><i>No vehicle maintenance plan</i></p> <p>Direct subrecipient to submit a new or revised maintenance plan/program and evidence that it has been implemented.</p>	
2. Does the subrecipient have a Facilities and Equipment maintenance plan (if applicable)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<p><i>Facility/equipment maintenance program lacking or inadequate</i></p> <p>Direct subrecipient to submit a new or revised maintenance plan/program and evidence that it has been implemented.</p>	
<p>a. If Yes to 1 or 2: Does the subrecipient's vehicle and facility/equipment maintenance plans include the following items:</p> <ul style="list-style-type: none"> <li>I. Goals and objectives</li> <li>II. System of periodic inspections performed at certain defined intervals</li> <li>III. Vehicle specific preventive maintenance activities (updated with addition of new vehicles in the fleet)</li> <li>IV. Preventive</li> </ul>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<p><i>Vehicle or facility/equipment maintenance plan lacking or inadequate</i></p> <p>Direct subrecipient to submit a new or revised maintenance plan/program and evidence that it has been implemented.</p>	

maintenance activities for facilities and equipment.				
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<b>Document #3: Manufacturer's recommended preventive maintenance schedules for vehicles, equipment, and facilities</b>			Finding and Corrective action	Comments
3. Does the subrecipient have manufacturer's recommended preventive maintenance schedules for vehicles, equipment, and facilities?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>	<i>Vehicle/facility/equipment maintenance program lacking or inadequate</i>  Direct subrecipient to submit a new or revised maintenance plan/program and evidence that it has been implemented.	

<b>Document #4 List of vehicles and equipment under warranty</b>			Finding and Corrective action	Comments
4. Does the subrecipient have a list of vehicles and equipment under warranty	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>	<i>Warranty claims not pursued effectively</i>  Subrecipient must submit a written system for managing warranty claims with a plan for implementation.	
a. If yes: Does subrecipient have a system for identifying warranty claims, recording claims, and enforcing claims against manufacturers?  <b>Note:</b> Review vehicle and equipment records and files for the program to assess how timely and aggressive the subrecipient has been in pursuing and collecting warranty claims.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>		

*If the subrecipient has contractors undertaking maintenance activities*

<b>Document #5 Contractor oversight procedures</b>	Finding and Corrective	Comments
----------------------------------------------------	------------------------	----------

			action	
5. Does the subrecipient have contractor oversight procedures	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>	<i>Inadequate oversight of contracted maintenance activities</i>	
a. If yes: Does subrecipient have procedures and/or a mechanism to monitor contractor's maintenance activities?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>	Subrecipient must submit a written maintenance plan and an amended agreement, contract, or lease incorporating the plan that includes maintenance standards compatible with FTA requirements and/or the performance measures for timely maintenance.	

#### On site Visit Document Review

Does the subrecipient have the following documents?			Finding and Corrective Action	Comments
<b>1. PM inspection records: vehicles</b> For review of vehicles, facilities, and equipment, preventative maintenance must be performed on time at least 80% of the time. <b>Under 80% on time performance should lead to finding and corrective action.</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>	<i>Late vehicle preventive maintenance</i>  Direct subrecipient to submit procedures for completing preventive maintenance on time. Subrecipient must submit a monthly report signed by the chief executive officer or other senior management designee on its preventive maintenance results until the data demonstrate it has conducted at least 80 percent of its preventive maintenance on time.	
<b>2. PM inspection records: facilities/equipment</b> For review of vehicles, facilities, and equipment, preventative maintenance must be performed on time at least 80% of the time.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>	<i>Late facility/equipment maintenance</i>  Subrecipient must submit procedures for completing preventive maintenance inspections on time. For the	



Under 80% on time performance should lead to finding and corrective action.			item examined, direct the subrecipient to submit a monthly report signed by the chief executive officer or other senior management designee on its preventive maintenance results until the data demonstrates it has conducted at least 80 percent of its preventive maintenance on time for three consecutive months.	
3. PM inspection records: ADA accessibility features	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>	<i>Violation of procedures to ensure maintenance of accessible features</i>  Subrecipient must submit an updated maintenance program for accessibility features.	
4. Procedure for warranty claims	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>	<i>Warranty claims not pursued effectively</i> Subrecipient must submit a written system for managing warranty claims with a plan for implementation.	

## Americans with Disabilities Act

*All subrecipients that*

- Have FTA funded facilities, or
- Operate fixed route services, or
- Operate demand response

*Where document not applicable to service / facilities provided state N/A*

*If option in red & underlined, see finding and corrective action.*

Document #1: Operating policies for service persons with disabilities			Finding and Corrective action	Comments
1. Does the subrecipient have operating policies for service persons with disabilities	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	ADA service provision deficiencies Subrecipient must document policies and procedures to include all required service provisions.	
a. If Yes: Do procedures address stop announcements for fixed route service at transfer points, major intersections, destination points, intervals along the route to orient passengers, and any stop upon request?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	ADA service provision deficiencies  Direct subrecipient to document that policies have been revised and required service provisions have been implemented.	
b. Do the procedures address the means by which an individual with a visual impairment or other disability waiting at a stop can identify the route on which he or she wants to travel when more than one route serves a stop?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
c. Do the procedures address maintaining accessibility features in operative condition?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		

d. Do the procedures address the conditions under which the entity must ask persons to move in order to allow the individual with a disability to occupy the seat or securement location?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
e. Do the procedures prohibit the subrecipient from setting weight or size limitations on wheelchairs it will transport that understate the weight capacity that the vehicle fleet can actually accommodate?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
f. Do the procedures require the subrecipient to permit a passenger who uses a lift or ramp to board or disembark from a vehicle at any designated stop, unless the lift or ramp cannot be deployed?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
g. Do the procedures prohibit the subrecipient from denying service to individuals using respirators, concentrators, or portable oxygen?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
h. Do the procedures require that adequate time be given for individuals with disabilities to board or disembark a vehicle?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		

Document #2 ADA complementary paratransit eligibility application materials and eligibility & appeal decision letters			Finding and Corrective action	Comments
2. Does the subrecipient	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Improper ADA</i>	

have ADA complementary paratransit eligibility application materials and eligibility & appeal decision letters?			<i>complementary paratransit determination process</i> Subrecipient must submit procedures for its eligibility determinations and appeals process	
a. If Yes: Do eligibility application materials indicate that applications must be processed within 21 calendar days of submittal?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Improper ADA complementary paratransit determination process</i>  Direct subrecipient to submit revised procedures for its eligibility determinations and/or appeals process to meet the regulatory requirements.	
b. Do eligibility application materials indicate that applicants will be given a written reason for the determination to deny the application?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
c. Do eligibility decisions letters provide information on the appeals process?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
d. Does the appeals process indicate that should the appeals process exceed 30 days, paratransit service must be provided from that time until a decision to deny the appeal is issued?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		

Document #3 ADA Complementary paratransit service performance data			Finding and Corrective action	Comments
3. Does the subrecipient have data on the trip denial rate, on-time performance rate, number of missed trips, and number of excessively long trips for ADA complementary paratransit service for the current year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Capacity Constraints</i> Subrecipient must review its capacity to meet the 100% next day availability requirement	
a. If Yes: Do the data	<input checked="" type="checkbox"/> <u>Yes</u>	<input type="checkbox"/> No	<i>Pattern or practice issues</i>	

indicate a pattern or practice of trip denials, untimely pickups, missed trips, or excessively long trips?			Subrecipient must submit a plan to increase capacity or take measures to reduce demand.	
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<b>Document #4 Operating policies regarding ADA paratransit trip reservations and scheduling</b>			<b>Finding and Corrective action</b>	<b>Comments</b>
4. Does the subrecipient have operating policies regarding ADA paratransit trip reservations and scheduling ( <i>can be combined with Document #1</i> )	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>	<i>ADA service provision deficiencies</i> Subrecipient must document policies and procedures to include all required service provisions.	
a. If Yes: Are requests for reservations accepted during normal business hours on a “next day” basis?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>	<i>ADA service provision deficiencies</i> Subrecipient must submit documentation that it has taken immediate steps to	
b. Does the subrecipient limit the number of reservations made during a phone call?	<input checked="" type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> No	change any operating policies that do not meet regulatory requirements.	

<b>Document #5 No-show/late cancellation policy</b>			<b>Finding and Corrective action</b>	<b>Comments</b>
5. Does the subrecipient have a no-show/late cancellation policy	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>	<i>ADA service provision deficiencies</i> Subrecipient must document policies and procedures to include all required service provisions	
a. If Yes: Does the subrecipient suspend riders who do not demonstrate a true pattern or practice of no-shows?	<input checked="" type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> No	<i>ADA service provision deficiencies</i> Subrecipient must revise its no-show policy to only suspend riders who demonstrate a true pattern or practice of no-shows.	
b. Does the subrecipient count no-shows not under the rider’s control?	<input checked="" type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> No	<i>ADA service provision deficiencies</i>	

			Subrecipient must stop counting no-shows that are not under the rider's control.	
c. Does the subrecipient assess financial penalties for no-shows?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<i>ADA service provision deficiencies</i> Subrecipient must stop assessing financial penalties for no-shows.	
d. Does the subrecipient allow riders to contest no-shows or appeal suspensions?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<i>ADA service provision deficiencies</i> Subrecipient must allow riders to contest no-shows and appeal suspensions.	

Document #6 Complaint process			Finding and Corrective action	Comments
6. Does the subrecipient have a complaint process?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<i>Insufficient ADA complaint process</i> Subrecipient must develop and implement process for reviewing and resolving complaints.	
a. If Yes: Is there an internal procedure for reviewing complaints?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<i>Insufficient ADA complaint process</i> Subrecipient must implement a policy and procedure for reviewing and resolving complaints.	

## Title VI

### All subrecipients

*Note: Some documents listed below apply only to areas with over 200,000 UZA. If this is not applicable state N/A*

<i>If option is red &amp; underlined, see finding and corrective action.</i> <b>Document #1 Title VI complaint process and complaints</b>			Finding and Corrective action	Comments
1. Does the subrecipient have a Title VI complaint process and complaints	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<p><i>Title VI notification deficiencies</i></p> <p>Subrecipient must publish in its Title VI notice a description of procedures that members of the public shall follow in order to file a Title VI complaint against the subrecipient.</p>	

*If a facility has been sited after October 1<sup>st</sup> 2012*

<b>Document #2 Equity analysis for facility siting</b>			Finding and Corrective action	Comments
2. Does the subrecipient have an Equity analysis for facility siting	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<p><i>Failure to comply with Title VI determination of site or location of facilities requirements</i></p> <p>For facilities still in the process of siting, direct the subrecipient to meet Title VI requirements before proceeding to making a siting decision. Subrecipient must provide a plan for conducting equity analysis for facility siting for future projects.</p>	
a. If Yes: Did the subrecipient complete an equity analysis during the planning stages of a project that established a new site?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		

<b>Document #3</b> Documentation of LEP Analysis/Implementation Plan/Language Assistance Plan			Finding and Corrective action	Comments
3. Does the subrecipient have documentation of LEP Analysis/ Implementation Plan/ Language Assistance Plan	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<p><i>Lacking a language assistance plan</i></p> <p>Direct the subrecipient to submit a language assistance plan with a completed four factor analysis, along with a list of language assistance it has provided or intends to provide, based on the analysis and a timeline for providing this assistance.</p>	
a. If Yes: Does the subrecipient's LEP plan include the areas of the four factor analysis below				
I. the number and proportion of LEP persons served or encountered in the eligible service population	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
II. the frequency with which LEP individuals come into contact with the program	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
III. the nature and importance to people's lives of the program, activity, or service provided	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
IV. the resources available to the recipient for LEP outreach and the associated costs	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
b. Does the subrecipient's LEP plan include:				
I. Identification of LEP individuals who need language assistance	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
II. Develop language assistance measures	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
III. Detail how to provide notice to LEP persons	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
IV. Address procedures for monitoring implementation and updating the plan	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		

*Documents 4-7 are applicable for Subrecipients with over 200,000 UZA:*

<b>Document #4</b> Demographic data/analyses (over 200,000 UZA)	Finding and Corrective action	Comments
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4. Does the subrecipient have demographic data/analyses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	Demographic data lacking	
a. If Yes: Does the subrecipient's Title VI plan include demographic maps and overlays, results of customer surveys, or information on procedures to collect and analyze demographic data?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	Direct the subrecipient to submit documentation of updated maps and overlays, the results of customer surveys, or additional information in accordance with the applicable requirements of circular FTA C4702.1B.	

Document #5 and #6 Service Standards and Documentation of service monitoring to identify disparities (over 200,000 UZA)			Finding and Corrective action	Comments
5. Does the subrecipient have service standards/policies	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	No procedures for monitoring level or quality of service  Direct the subrecipient to submit the results of an updated monitoring program, consistent with the procedures in FTA C 4702.1B.	
6. Does the subrecipient have documentation of service monitoring to identify disparities	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
a. If Yes to either 5 or 6: Does the subrecipient's monitor the service it provides to identify any disparities in the level and quality of service provided to different demographic groups?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		

Document #7: Documentation of equity analysis for fare or service changes (over 200,000 UZA)			Finding and Corrective action	Comments
7. Does the subrecipient have Documentation of equity analysis for fare or service changes	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	Impact of fare and/or service changes not adequately documented  Direct the subrecipient to submit to procedures for major service change policy,	
a. If Yes: Has the subrecipient completed an equity analysis for recent fare or service	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		

changes?			disparate impact policy, or disproportionate burden policy, and/or procedures to implement these policies.	
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## Procurement

### All Subrecipients

If option is red & underlined, see finding and corrective action.

Document #1: Written procurement policies and procedures			Finding and Corrective action	Comments
1. Does the subrecipient have written procurement policies and procedures	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<p><i>Procurement policies and procedures not evident</i></p> <p>Subrecipient must develop procurement procedures that address the requirements listed in 4220.1F</p>	
<p>If Yes: do the procedures include the following?</p> <p><i>Corrective Action for any deficiency:</i> Direct subrecipient to submit updated procedures with the required information</p>				
<p>a. Written protest procedures</p> <p>The subrecipient has written protest procedures to handle and resolve disputes relating to their procurements. These procedures require the following:</p> <ul style="list-style-type: none"> <li>In all instances involving FTA funds the subrecipient must disclose information regarding the protest to OCTA, and keep OCTA informed about the status of the protest,</li> <li>All protest decisions must be in writing, and</li> <li>A protester must exhaust all administrative remedies with the subrecipient before pursuing a protest with FTA.</li> </ul>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
<p>b. Standards of conduct</p> <p>The subrecipient has a written code of standards of conduct which provides that no employee, officer, agent, immediate family member, or Board member of the subrecipient shall participate in the selection, award, or administration of a contract supported by FTA funds if a conflict of interest, real or apparent, would be involved. The subrecipient defines such a conflict to be when any of the following has a financial or other interest in the firm selected for award:</p> <ul style="list-style-type: none"> <li>The employee, officer, agent, or Board member,</li> <li>Any member of his/her immediate family,</li> <li>His or her partner, or</li> <li>An organization that employs, or is about to employ, any of the above.</li> </ul>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		

The subrecipients code of conduct also provides that its officers, employees, agents, or Board members will neither solicit nor accept gifts, gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to subagreements and contains penalties, sanctions, or other disciplinary action for violation of such standards by the subrecipient's officers, employees, or agents, or by contractors or their agents.			
c. Requirements for full and open competition All procurement transactions will be conducted in a manner providing full and open competition.	<input type="checkbox"/> Yes	<input type="checkbox"/> <u>No</u>	
d. Requirements for responsibility determination Make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. Undertake a System for Award Management check ( <a href="http://www.SAM.gov">www.SAM.gov</a> )	<input type="checkbox"/> Yes	<input type="checkbox"/> <u>No</u>	
e. Requirements for maintaining a written record of the procurement history At a minimum, these records shall include: <ul style="list-style-type: none"> <li>• The rationale for the method of procurement,</li> <li>• Selection of contract type</li> <li>• Reasons for contractor selection or rejection, and</li> </ul> The basis for the contract price.	<input type="checkbox"/> Yes	<input type="checkbox"/> <u>No</u>	
f. Coverage of Time and Materials type contracts Requirement that "Time and Materials Type Contracts" may only be used: <ul style="list-style-type: none"> <li>• After a determination that no other type of contract is suitable, and</li> <li>• If the contract specifies a ceiling price that the contractor shall not exceed except at its own risk.</li> </ul>	<input type="checkbox"/> Yes	<input type="checkbox"/> <u>No</u>	
g. Contract term limitation for rolling stock Contract term limitation for rolling stock and replacement parts shall not exceed the recipient's needs for rolling stock and replacement parts within five (5) years inclusive of options without prior written FTA approval when FTA funds are involved. For all other types of contracts, the contract file contains evidence that the contract term is based upon sound business judgment.	<input type="checkbox"/> Yes	<input type="checkbox"/> <u>No</u>	
h. Requirements for A&E procurements The Brooks Act procedures apply and may only be used when procuring A&E services: <ul style="list-style-type: none"> <li>• Evaluate qualifications excluding price as a factor,</li> <li>• Negotiate only with the most qualified offeror, and</li> <li>• Failing agreement on price, negotiate with the next most qualified offeror until agreement is reached on a price</li> </ul>	<input type="checkbox"/> Yes	<input type="checkbox"/> <u>No</u>	

that is determined to be fair and reasonable.			
i. Requirements for micro purchases (\$3,000 or less) <ul style="list-style-type: none"> <li>• Competition not required</li> <li>• Must document determination that price is fair and reasonable and how the determination was derived</li> <li>• Prohibit splitting of procurements to avoid competition, and</li> <li>• When competition is not obtained, require equitable distribution among qualified suppliers</li> </ul>	<input type="checkbox"/> Yes	<input type="checkbox"/> <u>No</u>	
j. Requirements for small purchases (for FTA funded purchases the threshold may range from \$3,000 to \$100,000) : <ul style="list-style-type: none"> <li>• Must obtain price or rate quotations from an adequate number of qualified sources, and</li> <li>• Document file that price is fair and reasonable.</li> </ul>	<input type="checkbox"/> Yes	<input type="checkbox"/> <u>No</u>	
k. Requirements for Sealed Bids (IFB) <ul style="list-style-type: none"> <li>• Defines conditions for sealed bids</li> <li>• Requires public advertising</li> <li>• Must allow sufficient time to prepare bids prior to bid opening</li> <li>• Award must be made to the lowest responsive and responsible bidder, and</li> <li>• Must document sound business reason if any or all bids are rejected.</li> </ul>	<input type="checkbox"/> Yes	<input type="checkbox"/> <u>No</u>	
l. Requirements for request for proposals <ul style="list-style-type: none"> <li>• Requests for proposals will be publicized. All evaluation factors will be identified along with their relative importance;</li> <li>• Proposals will be solicited from an adequate number of qualified sources;</li> <li>• Subrecipients will have a method in place for conducting technical evaluations of the proposals received and for selecting awardees;</li> <li>• Awards will be made to the responsible firm whose proposal is most advantageous to the subrecipient's program with price and other factors considered; and</li> </ul> <p>In determining which proposal is most advantageous, subrecipients may award (if consistent with State law) to the proposer whose proposals offer the greatest business value to the Agency based upon an analysis of a tradeoff of qualitative technical factors and price/cost to derive which proposal represents the "best value" to the Procuring Agency as defined in 4220.1F, I, 5. b., Definitions. If the subrecipient elects to use the best value selection method as the basis for award, however, the solicitation must contain language that establishes that an award will be made on a "best value" basis.</p>	<input type="checkbox"/> Yes	<input type="checkbox"/> <u>No</u>	
m. Requirements for sole source procurements	<input type="checkbox"/> Yes	<input type="checkbox"/> <u>No</u>	

<ul style="list-style-type: none"> <li>• Infeasible to use small purchase, sealed bid, or competitive procedures, and               <ul style="list-style-type: none"> <li>(a) Item is available only from one source,</li> <li>(b) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation,</li> <li>(c) FTA authorizes noncompetitive negotiations,</li> <li>(d) After solicitation of a number of sources, competition is determined inadequate, or Cost and profit analysis are required.</li> </ul> </li> </ul>			
<p>n. Prohibition on geographic preference</p> <p>Except when procuring A&amp;E services, prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals unless Federal statutes expressly mandate or encourage geographic preference.</p>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	
<p>o. Requirements for using brand name or equal specifications</p> <ul style="list-style-type: none"> <li>• Only when an adequate specification cannot be provided without performing an inspection and analysis in time for the acquisition under consideration, and</li> <li>• Minimum needs are carefully identified and those salient physical and functional characteristics of the brand name product are clearly set forth in the solicitation.</li> </ul>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	
<p>p. Requirements for the use of options</p> <ul style="list-style-type: none"> <li>• Option quantities must be evaluated to determine contract award, and</li> <li>• When exercising options, ensure it is in accordance with the contract and that the price is better than prices available in the market or is more advantageous at the time the option is exercised.</li> </ul>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	
<p>q. Requirements for Independent Cost Estimates</p> <p>Must make independent cost or price estimates before receiving bids or proposals.</p>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	
<p>r. Requirements for Cost and Price Analysis</p> <p>Must perform cost and profit analysis when adequate price competition is lacking</p>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	
<p>s. Coverage of the use of progress payments</p> <p>Progress payments may only be made on the basis of costs incurred (or, in the case of construction contracts only, on the basis of percent of completion) and the subrecipient must obtain adequate security for which progress payments are made. Adequate security may include taking title, letters of credit or equivalent means to protect the subrecipients interest.</p>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	

Document #2: Contract Administration System Procedures			Finding and Corrective action	Comments
2. Does the subrecipient have Contract Administration System Procedures	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>	<i>No contract administration system</i> Subrecipient must develop procedures for ensuring contractors perform according to the terms and conditions of their contracts	
a. If Yes: Do the procedures provide guidance for ensuring that third party contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>	<i>Contract administration system lacking</i> Direct subrecipient to submit procedures for administering contracts.	

*Document 3 applies if Subrecipient uses a prequalification system:*

Document #3 List of prequalification criteria (if applicable)			Finding and Corrective action	Comments
3. Does the subrecipient have a list of prequalification criteria (if applicable )	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>	<i>No adequate prequalification criteria</i> Subrecipient must develop prequalification procedures that address the requirements listed in 4220.1F	
a. If Yes: Do the prequalification criteria:			<i>No adequate prequalification criteria</i> Direct subrecipient to submit revised procedures to administer the prequalification system.	
I. Ensure the list of prequalified firms is kept up to date?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>		
II. Allow bidders to qualify during the solicitation period?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>		
III. Allow for full and open competition among prequalified	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>		

firms?				
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*Document 4 applies to all Subrecipients:*

<b>Document #4 List of FTA funded capital and operating procurements over the last 2 years or since the last review (whichever is most recent)</b>				Comments
4. Has the Subrecipient provided a List of FTA funded capital and operating procurements over the last 2 years or since the last review (whichever is most recent)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	Note: this list is used to develop a sample of procurement files for review at the site visit.	

#### On site Visit Procurement File Review

*Procurement files for FTA funded capital and operating procurements will be reviewed on site using the Procurement File Checklist. This checklist provides guidance on the requirements and applicability. It is provided separately for ease of use on site in Appendix I. One checklist should be filled in for each procurement file reviewed. The findings from these reviews can be summarized in the below table:*

a. Did the procurement files reviewed contain the following documentation:  <i>Corrective Action:</i> Direct subrecipient to revise procedures to address missing procurement documentation and evidence that documentation has been properly completed in future procurements.				
Number of files reviewed:			Comments	
a. Selection Procedures	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
b. Independent Cost Estimate	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
c. Cost/Price Analysis	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
d. Responsibility Determination	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
e. Justification for Noncompetitive Awards	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
f. No excessive bonding requirements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
g. No exclusionary specifications	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		



h. No geographic preferences	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	
i. Evaluation of Options	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	
j. Exercise of Options	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	
k. Lobbying Certifications Signed by Contractors	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	
l. Buy America Provisions in Solicitation or Contract	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	
m. Time and Materials Type Contract	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	
n. Qualifications Based Procurement Requirements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	
o. Liquidated Damages Clause	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	
p. Change Order Documentation	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	
q. Contract Clauses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	

#### On Site Review - Buy America Compliance

*Buy America relates to all procurements of steel, iron, and manufactured products, except for products with a waiver or purchases under the simplified acquisition threshold (currently \$100,000)*

Document #5 Pre and Post Delivery certifications				Comments
5. Does review of the construction area and pre/ post-delivery certifications show compliance with Buy America Requirements?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<p><i>Lack of signed Buy America certifications from vendors</i></p> <p>The subrecipient must provide information documenting that the procurement complies with Buy America provisions</p>	

## Disadvantaged Business Enterprise

*All subrecipients with over \$250K in FTA contracting opportunities (not including revenue vehicles)*

*If option is red & underlined, see finding and corrective action.*

Document #1: DBE Program Submitted and Approved by OCTA			Finding and Corrective action	Comments
1. Does the subrecipient have a DBE Program Submitted and Approved by OCTA	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>No submitted and approved DBE program</i> Subrecipient must develop a DBE program that meets the FTA requirements	
a. Does the program reflect the current organizational structure of the agency?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>The program does not reflect the current organizational structure.</i>  Direct subrecipient to submit a revised DBE program that reflects the current organizational structure.	

Document #2: Goal methodology and current goal (if applicable)			Finding and Corrective action	Comments
2. Does the subrecipient have a goal methodology and current goal	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>DBE goal submission not complete</i> Subrecipient must prepare a DBE goal methodology and establish current DBE goals	

Document #3: DBELO job description and organizational chart showing relationship of DBELO			Finding and Corrective action	Comments
3. Does the subrecipient have a DBELO job description and organizational chart showing relationship of DBELO	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Inadequate designation of DBE Officer</i> Subrecipient must designate a DBELO and ensure DBELO has direct access to the chief executive for DBE	

			related matters	
a. Does the DBELO have direct and independent access to the CEO?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Inadequate designation of DBE Officer</i>	
b. Does the DBELO's position present a conflict of interest?	<input checked="" type="checkbox"/> <u>Yes</u>	<input type="checkbox"/> No	Direct subrecipient to change the DBELO designation as needed.	

Document #4: DBE Uniform Reports submitted to OCTA			Finding and Corrective action	Comments
4. Does the subrecipient have a DBE Uniform report submitted to OCTA	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>DBE uniform reports not submitted</i> Subrecipient must complete all delinquent uniform reports and develop procedures to ensure reports are submitted on time	
a. Do the reports include all applicable FTA funded contracting activity?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>DBE uniform reports lacking information</i> Direct subrecipient to revise	
b. Can the subrecipient demonstrate how these reports are reconciled to procurement records?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	DBE uniform reports as needed to include the required information.	

*Document 5 is only applicable if the subrecipient has not met DBE program goals*

Document #5: DBE goal shortfall analysis (if applicable)			Finding and Corrective action	Comments
5. Does the subrecipient have a DBE goal shortfall analysis	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>DBE goal achievement analysis not completed or submitted</i> Subrecipient must develop the required shortfall analysis and corrective action plan	
a. Does the analysis include the reason DBE goals were not attained?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>DBE goal achievement analysis lacking</i> Direct subrecipient to revise	
b. Does the analysis include corrective actions to	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	the shortfall analysis to include the required	

increase DBE participation?			information.	
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<b>Document #6: Good faith effort documentation</b>			<b>Finding and Corrective action</b>	<b>Comments</b>
6. Does the subrecipient have good faith effort documentation	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>	<i>Inadequate implementation of DBE contract compliance</i> Subrecipient must develop procedure for including good faith effort documentation in all procurement actions	

<b>Document #7: Compliance monitoring reports</b>			<b>Finding and Corrective action</b>	<b>Comments</b>
7. Does the subrecipient have compliance monitoring reports	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>	<i>Subrecipient does not monitor DBE compliance</i> Subrecipient must develop procedures for conducting and documenting DBE compliance	

## Satisfactory Continuing Control

All subrecipients – different documentation is required for the different types of project that FTA funds (property, equipment, rolling stock). Where not applicable state N/A

If option in red & underlined, see finding and corrective action.

Document #1: Procedures for maintaining control of FTA funded property, equipment, and rolling stock (if applicable)			Finding and Corrective action	Comments
1. Does the subrecipient have procedures for maintaining control of FTA funded property, equipment, and rolling stock	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Inadequate property control system</i> Subrecipient must develop procedures for maintaining control of FTA funded property, equipment, and rolling stock	
a. If Yes: Do they contain disposition procedures	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Inadequate property control system</i>	
b. Do they contain procedures for applying insurance proceeds	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	Direct subrecipient to submit updated procedures with the required information.	

Document #2: Property records of federally funded equipment and rolling stock (if applicable)			Finding and Corrective action	Comments
2. Does the subrecipient have property records of federally funded equipment and rolling stock (if applicable)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Inadequate equipment records</i> Subrecipient must prepare a record of all FTA funded equipment and rolling stock	
a. If Yes: Do they contain			<i>Inadequate equipment records</i> Direct subrecipient to submit updated records with the required information.	
I. Description	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
II. ID Number	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
III. Acquisition Date	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
IV. Total Acquisition Cost	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
V. Federal Percentage	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
VI. Grant Number	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		

VII.	Location	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
VIII.	Use and Condition	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
IX.	Disposition Action	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
X.	Vested Title	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
XI.	Useful Life	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		

Document #3: Listing of real property, equipment, and vehicles removed from transit service (if applicable)			Finding and Corrective action	Comments
3. Does the subrecipient have a listing of real property, equipment, and vehicles removed from transit service	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Inadequate equipment records</i> Subrecipient must prepare a record of all FTA funded equipment and rolling stock removed from service	
a. If Yes: Did the subrecipient notify OCTA when property was removed from the service originally intended?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>OCTA not informed and concurrence not received</i> Direct subrecipient to inform OCTA of real property that has been removed from service without OCTA approval and to submit procedures for notifying OCTA when FTA funded real property has been removed from service.	
b. Was OCTA concurrence of disposition method received prior to disposing of property?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
c. Was OCTA reimbursed for its share of disposition proceeds (if applicable)? (see The Common Rule (49 CFR Part 18), Master Agreement, and FTA Circular 5010.1D for detail)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>OCTA not reimbursed</i> Direct the subrecipient to submit to procedures for obtaining OCTA approval for the method of disposition of FTA funded real property.	

Document #4: Evidence of most recent inventory reconciliation (if applicable)			Finding and Corrective action	Comments
4. Does the Subrecipient have evidence of most recent inventory reconciliation	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>No evidence of physical inventory</i> Subrecipient must complete and document a formal	

			inventory of all equipment, parts, and rolling stock	
a. If Yes: Was the most recent inventory conducted within the previous two years?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Physical inventory not maintained</i> Direct the subrecipient to submit evidence that it has conducted a physical inventory and that the inventory results have been reconciled to equipment records and procedures for conducting a biennial physical inventory.	
b. Were the equipment records updated after the inventory was completed?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		

<b>Document #5: Excess real property inventory/ utilization plan (if applicable)</b>			Finding and Corrective action	Comments
5. Does the subrecipient have an excess real property inventory/ utilization plan	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Lacking excess real property utilization inventory/plan out of date</i> Subrecipient must develop a written plan for disposing of excess real property.	
a. If Yes: Does the plan identify and explain the reason for the excess property?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Excess real property not sufficient</i> Direct the subrecipient to submit a written excess real property utilization plan or update the existing plan.	
b. Does the plan identify the current use of the property and anticipated or proposed disposition action?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		

<b>Document #6: Bus Fleet Contingency Plan (if applicable)</b>			Finding and Corrective action	Comments
6. Does the subrecipient have a Bus Fleet Contingency Plan (if applicable)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Lacking contingency plan</i> Subrecipient must develop a contingency plan which includes all assets currently in the contingency fleet	
a. If Yes: Are buses in the contingency fleet properly stored,	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Contingency fleet plan insufficient</i>	

maintained, and identified in the contingency plan?			Direct the subrecipient to submit a plan for its contingency fleet.	
b. Does the plan identify the contingency vehicles, storage location(s) and maintenance activities?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		

<b>Document #7: Documentation of peak vehicle requirements for fixed route service (if applicable)</b>			Finding and Corrective action	Comments
7. Does the subrecipient have documentation of peak vehicle requirements for fixed route service (if applicable)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Bus spare ratio</i> Subrecipient must develop data on current fleet size and number of vehicles required for peak service	
a. If Yes: Does the calculation include the total number of revenue vehicles?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Bus spare ratio</i> Direct the subrecipient to submit a plan for reducing the spare ratio.	
b. Does the plan identify the number of vehicles needed for peak service?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
c. Does the spare ratio seem reasonable given the total number of vehicles?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		



## Planning/Program of Projects

*All subrecipients*

*If option in red & underlined, see finding and corrective action*

Document #1: Evidence of Participation in Coordinated Planning Process (5310)			Finding and Corrective action	Comments
1. Does the subrecipient have evidence of Participation in Coordinated Planning Process (5310)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<p><i>5310 coordinated transportation plan participation lacking</i></p> <p>Subrecipient must provide evidence of participation in the coordinated planning process.</p>	

Document #2: MPO's public participation plan procedures (if applicable)			Finding and Corrective action	Comments
2. Does the subrecipient have MPO's public participation plan procedures (if applicable)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<p><i>Elements missing in POP public participation procedures</i></p> <p>Subrecipient must provide public participation procedures from the MPO which state that the MPO's public participation process is used to satisfy the subrecipient's and/or OCTA's public participation process for the POP.</p>	
a. If Yes: Does the MPO's public participation plan state that the MPO's public participation process is used to satisfy the subrecipient's and/or OCTA's public participation process for the POP?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<p><i>Elements missing in POP public participation procedures</i></p> <p>Direct the subrecipient to work with the MPO and OCTA to include the required language.</p>	

Document #3: Public notice of the POP	Finding and Corrective	Comments
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			action	
3. Does the subrecipient have a Public notice of the POP	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<i>POP public notice deficiencies</i>  Subrecipient must provide evidence that the POP was publicized by either the subrecipient, OCTA or the MPO	
If subrecipient is relying on the MPO's public participation plan:			<i>POP public notice deficiencies</i>  Direct the subrecipient to work with the MPO and OCTA to include the required language.	
a. Does the MPO's public notice of the TIP have an explicit statement that public notice of public involvement activities and time established for public review and comments on the TIP will satisfy the POP requirements?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
If subrecipient is responsible for publishing the POP:			<i>POP public notice deficiencies</i>  Direct the subrecipient to ensure that a public notice of the POP is generated that meets the FTA requirements	
a. Was the public notice of the POP published in an appropriate local publication?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
b. Does the public notice provide sufficient detail?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
c. Does the public notice offer an opportunity for a public hearing?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
d. Has the subrecipient communicated to significant populations of non-English speaking individuals (if applicable?)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
e. Does the public notice contain a statement that the proposed program will be the final program unless amended and a final notice is not published?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		



## Public Comment

*All subrecipients operating fixed route service*

*If option is red & underlined, see finding and corrective action*

Document #1: Description of procedures for public comment on fare increases and major service reductions			Finding and Corrective action	Comments
1. Does the subrecipient have a description of procedures for public comment on fare increases and major service reductions	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<p><i>Deficiencies in public comment process as defined</i></p> <p>Subrecipient must submit a written policy for soliciting and considering public comments prior to a fare increase or major service reduction that addresses fare increases, defines a major service reduction, describes how public comment will be solicited, and specifies how comments will be considered.</p>	

Document #2: Documentation from fare increases and major service reductions implemented since last review			Finding and Corrective action	Comments
2. Does the subrecipient have documentation from fare increases and major service reductions implemented since last review	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<p><i>Public comments not considered accurately</i></p> <p>Subrecipient must submit amended procedures that incorporate consideration and documentation of public comment.</p>	

## Half Fare

*All subrecipients operating fixed route service*

*If option is red & underlined, see finding and corrective action*

Document #1: Fare structure description			Finding and Corrective action	Comments
1. Does the subrecipient have a fare structure description that shows half fare	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<p><i>Fares more than one half of fixed route fares</i></p> <p>Subrecipient must provide a plan and schedule for correcting its half fare program.</p>	

Document #2: Half fare program description			Finding and Corrective action	Comments
2. Does the subrecipient have a half fare program description?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<p><i>Half fares not extended to all required services</i></p> <p>Subrecipient must provide a plan and schedule for correcting its half fare program.</p>	

Document #3: Half fare public information			Finding and Corrective action	Comments
3. Does the subrecipient have evidence of public information regarding half fares	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<p><i>Half fare program/procedures deficient</i></p> <p>Subrecipient must submit information on its half fare program that will be disseminated/available to the public.</p>	

Document #4: Half fare ID application			Finding and Corrective action	Comments

<p>4. Does the subrecipient have information regarding required ID, including</p> <ul style="list-style-type: none"> <li>- Any need for a special identification card (if required)</li> <li>- That Medicare card is accepted as proof of eligibility</li> </ul>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<p><i>Half fare procedures deficient</i></p> <p>Subrecipient must submit a plan for making passengers aware of any need for a special identification card and enabling identification cards to be easily obtained. The subrecipient also must submit documentation that it accepts a Medicare card as proof of eligibility for the half fare program if it does not already accept it.</p>	
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## Charter Bus

All subrecipients operating Charter Services

If option is red & underlined, see finding and corrective action

Document #1: Quarterly reports to OCTA or FTA			Finding and Corrective action	Comments
1. Does the subrecipient have the Quarterly reports submitted? Note: If the subrecipient is also a direct recipient, these should be submitted to FTA. Otherwise these should be submitted to OCTA	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Charter Reporting Issues</i> Subrecipient must submit delinquent reports and develop a procedure for ensuring reports are submitted on time	
a. If Yes: Do the reports indicate the subrecipient is operating charter service in violation of one or more allowed charter exceptions? (see below table)	<input checked="" type="checkbox"/> <u>Yes</u>	<input type="checkbox"/> No	<i>Charter service is violating FTA regulation</i> Direct subrecipient to stop providing the unallowable charter service immediately.	

### Charter Service Exceptions

Exception	Notification to Registered Charter Providers	Trip Record Keeping	Quarterly Reporting	Other Requirements
1. Government Officials	No	Yes	Yes	None
2. Qualified Human Service Organization (QHSO)	No	Yes	Yes	Evidence that QHSO receives funding, directly or indirectly, from the programs listed in Appendix A of the charter regulation or was registered at least 60 days before the date of the first request
3. Leasing of Equipment and Driver	No	Yes	Yes	Evidence that registered charter provider has exhausted all of the available vehicles of all registered charter providers in the grantee's geographic service area
4. No Response by Registered Charter Provider	Yes	Yes	Yes	None
5. Agreement with All Charter Providers	No	No	No	Properly executed agreements with all registered charter providers in grantee's geographic service area
6. Petition to the Administrator	Yes	No	No	Grantee must demonstrate how it contacted registered charter providers and how the grantee will use the registered charter providers in providing service to the event. Grantee must also certify that it has exhausted available registered charter providers' vehicles in the area.

## School Bus

*All subrecipients operating School Bus services*

*If option is red & underlined, see finding and corrective action*

<b>Document #1: Bus schedules showing tripper routes as part of regularly scheduled routes</b>			Finding and Corrective action	Comments
1. Does the subrecipient have Bus schedules showing tripper routes as part of regularly scheduled routes	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	No finding	
a. If Yes: Does the service meet the criteria for being open to all riders, not serving only schools, and promoted to the general public?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<p><i>School Bus violating FTA regulation</i></p> <p>Direct subrecipient to cease operating unallowable service immediately.</p>	



## Drug-Free Workplace/Drug and Alcohol Program

All FTA subrecipients with safety sensitive employees

If option is red & underlined, see finding and corrective action

Document #1: Drug-free workplace policy			Finding & Corrective action	Comments
1. Does the subrecipient have a Drug-free workplace policy	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>No written DFWA policy</i>  Subrecipient must submit a written policy that includes all required elements along with documentation that the amended policy has been distributed to all grant-related employees.	
If yes: Does the subrecipient's drug free workplace policy that states the following elements:			<i>DFWA policy does not include all the required elements</i>  Subrecipient must submit a written policy that includes all required elements along with documentation that the amended policy has been distributed to all grant-related employees.	
a. The workplace is drug-free	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
b. The unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in the workplace is strictly prohibited	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
c. Employees must abide by the terms of the policy statement as a condition of employment	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		
d. if convicted of a drug statute violation that occurred in the workplace, employees are to report it to the employer in writing no later than five calendar days after such a conviction	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>		

Document #2: Drug and alcohol testing policy	Finding & Corrective action	Comments

2. Does the subrecipient have a drug and alcohol testing policy	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<p><i>Drug and alcohol policy lacking required elements</i></p> <p>Subrecipient must submit an amended policy that has been adopted by the governing board or other “final authority,” and re-communicated to all affected employees.</p>	
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a. Does subrecipient’s drug and alcohol testing policy include the following elements:			
<p><i>Corrective Action:</i> Subrecipient must submit an amended policy that has been adopted by the governing board or other “final authority,” and re-communicated to all affected employees.</p>			Comments
I.	Proof of policy adoption by the appropriate governing body or other “final authority” with effective date indicated	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>
II.	Identity of the person, office, or position designated by the employer to answer questions about the anti-drug and alcohol misuse program	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>
III.	Categories of employees who are subject to testing	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>
IV.	Prohibited behavior, including when the regulations prohibit the use of alcohol and drugs	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>
V.	Testing circumstances for drugs and alcohol (i.e., pre-employment, random, post-accident, reasonable suspicion, return-to-duty (only for employers with a second-chance policy), and follow-up testing (only for employers with a second-chance policy))	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>
VI.	Drug and alcohol testing procedures consistent with 49 CFR Part 40, as amended	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>
VII.	Requirement that covered employees submit to drug and alcohol testing administered in accordance with FTA regulations	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>
VIII.	<p><b>Check all (a) through (I) that are included</b></p> <p>Description of the behavior and circumstances that</p>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>

<p>constitute a refusal to take a drug and/or alcohol test and a statement that a refusal constitutes a verified positive test result. The following describes refusals under the DOT program:</p> <p>(a) Fail to appear for any test (except a pre-employment test) within a reasonable time, as determined by the employer after being directed to do so by the employer</p> <p>(b) Fail to remain at the testing site until the testing process is complete (an employee who leaves the testing site before the testing process commences for a pre-employment test is not deemed to have refused to test)</p> <p>(c) Fail to provide a urine specimen for any drug test or an adequate amount of saliva or breath for any alcohol test required by this part or DOT agency regulations</p> <p>(d) Fail to provide a sufficient amount of urine or breath specimen when directed, and it has been determined, through a required medical evaluation, that there was no adequate medical explanation for the failure</p> <p>(e) Fail or decline to take an additional drug test the employer or collector has directed to be taken</p> <p>(f) Fail to undergo a medical examination or evaluation, as directed by the MRO or employer as part of the drug test verification process, or employer as part of the insufficient breath procedures. In the case of a pre-employment drug test, the employee is deemed to have refused to test on this basis only if the pre-employment test is conducted following a contingent offer of employment. If there was no contingent offer of employment, the MRO will cancel the test.</p> <p>(g) Fail to sign the certification at Step 2 of the alcohol testing form</p> <p>(h) Fail to cooperate with any part of the testing process (e.g., refuse to empty pockets when directed by the collector, behave in a confrontational way that disrupts the collection process, fail to wash hands after being directed to do so by the collector)</p> <p>(i) In the case of a directly observed or monitored collection in a drug test, fail to permit the observation or monitoring of</p>			
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<p>the provision of a specimen</p> <p>(j) For an observed collection, fail to follow the observer's instructions to raise clothing above the waist, lower clothing and underpants, and to turn around to permit the observer to determine if there is any type of prosthetic or other device that could be used to interfere with the collection process</p> <p>(k) Possess or wear a prosthetic or other device that could be used to interfere with the collection process</p> <p>(l) Admit to the collector or MRO that the specimen was adulterated or substituted</p> <p>Instead of listing all the refusals, the policy may state that refusals to test are listed in 49 CFR Part 40, as amended, or 49 CFR 40.191, as amended, for drug tests and 49 CFR 40.261, as amended, for breath tests. The policy should then state that a copy of 49 CFR Part 40 is available upon request. However, if the policy lists any refusals to test, the policy must list all of them.</p>			
<p>IX. Description of the consequences for a covered employee who has a verified positive drug test result or a confirmed alcohol test with an alcohol concentration of 0.04 or greater. If the system has a second chance policy, a description of the evaluation and treatment processes must be included.</p>	<input type="checkbox"/> Yes	<input type="checkbox"/> <u>No</u>	
<p>X. Description of the consequences for covered employees found to have an alcohol concentration of 0.02 or greater but less than 0.04</p>	<input type="checkbox"/> Yes	<input type="checkbox"/> <u>No</u>	
<p>XI. Employer's policy toward retesting of negative dilute urine collections as required by 49 CFR 40.197 that states that if the MRO informs the agency that a negative drug test was dilute, the agency may, but is not required to, direct the employee to take another test immediately. All employees must be treated the same for this purpose. For example, the subrecipient must not retest some employees and not others. The subrecipient may retest for some types of tests (e.g., pre-employment tests) and not others. The policy should state whether or not immediate retesting for negative dilutes is required and, if required, that the second test will be the test</p>	<input type="checkbox"/> Yes	<input type="checkbox"/> <u>No</u>	

of record.			
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Document #3: Post-accident decision form, if used			Finding and Corrective action	Comments
3. Does the subrecipient have a Post-accident decision form?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>	<i>Improper post-accident determination</i>  Subrecipient must submit a process for making proper post-accident determinations, including procedures to document the decision-making process when appropriate.	

Document #4 and #5: List of supervisors and other officials responsible for making reasonable suspicion testing decisions and training records			Finding and Corrective action	Comments
4. Does the subrecipient have a list of supervisors and other officials responsible for making reasonable suspicion testing decisions?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>	<i>Reasonable suspicion training not provided/insufficient</i>  Subrecipient must submit documentation that all	
5. Does the subrecipient have training records of supervisors and other officials responsible for making reasonable suspicion testing decisions	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>	supervisors and other officials who make reasonable suspicion determinations have received the required training and procedures for ensuring training is provided before individuals are allowed to make reasonable suspicion testing decisions.	

Document #6: Form requesting drug and alcohol testing history of applicants	Finding and Corrective action	Comments
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6. Does the subrecipient have a form requesting drug and alcohol testing history of applicants	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<i>Deficiencies in process of checking previous drug and alcohol testing records</i> Subrecipient must submit a process for ensuring that the previous drug and alcohol testing records of first-time safety sensitive employees are reviewed.	
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Document #7: MIS reports for past three years for subrecipient and sample of contractors			Finding and Corrective action	Comments
7. Does the subrecipient have MIS reports for past three years for subrecipient and sample of contractors	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<i>Random testing rate below required level</i>  Subrecipient must submit a plan to bring the random testing rate to the required level.	
a. Is the random test rate below the required level? Annual rates: 25% for drugs. 10% for alcohol	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		

#### On Site Visit Document Review

Document #1: Accident files and reports			Finding and Corrective action	Comments
1. Is there evidence of post-accident testing (if applicable)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<i>No evidence of testing after accidents</i>  Subrecipient must submit a process for making proper post-accident determinations, including procedures to ensure post-accident testing	

Document #2: Monitoring reports of laboratories, collection services, or other vendors in the program	Finding and Corrective action	Comments
-------------------------------------------------------------------------------------------------------	-------------------------------	----------

2. Monitoring reports of laboratories, collection services, or other vendors in the program	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<p><i>Drug and/or alcohol program vendors not properly monitored</i></p> <p>Subrecipient must submit executed contract(s) with vendor(s) and monitoring procedures.</p>	
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## Equal Employment Opportunity

*Subrecipients with 50 or more transit related employees and either a) requests or received in excess of \$1M in capital and/or operating assistance or requests or b) receives in excess of \$250K in planning assistance.*

*If option is red & underlined, see finding and corrective action*

Document #1: EEO Program Submitted and Approved by OCTA (if applicable)			Finding & Corrective action	Comments
1. Does the subrecipient have an EEO Program Submitted and Approved by OCTA?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>EEO program not submitted or expired</i>  Subrecipient must develop a EEO program that meets the FTA requirements	

Document #2: Job description for EEO Officer			Finding & Corrective action	Comments
2. Does the subrecipient have a job description for EEO Officer?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Inadequate designation of EEO Officer</i>  Subrecipient must designate an EEO officer and ensure EEO officer has a clear reporting relationship to the CEO.	
a. Does the EEO officer have a clear reporting relationship to the CEO?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>Inadequate designation of EEO Officer</i>	
b. Is the EEO officer responsible for processing EEO complaints?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	Direct subrecipient to change the EEO officer reporting relationship and job description as needed	

Document #3: Workforce utilization analysis			Finding & Corrective action	Comments
3. Does the subrecipient have workforce utilization analysis?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <u>No</u>	<i>EEO utilization analysis deficiency</i>  Subrecipient must complete a workforce utilization analysis and develop procedures to ensure	



			analysis is submitted on time annually	
a. If yes: Does the analysis include a justification for why prior EEO goals were not met (if applicable)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>	<i>EEO utilization analysis deficiency</i>  Direct subrecipient to revise the workforce utilization analysis as needed	

<b>Document #4: Employment practice analysis</b>			<b>Finding &amp; Corrective action</b>	<b>Comments</b>
4. Does the subrecipient have employment practice analysis?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>	<i>Employment practice analysis deficiencies</i>  Subrecipient must develop a narrative description and statistical analysis of its employment practices	
a. If Yes: Does the analysis contain a narrative description of the subrecipient's employment practices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>	<i>Employment practice analysis deficiencies</i>  Direct subrecipient to revise the employment practice analysis as needed	
b. Does the analysis contain a statistical analysis of employment practices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>		

<b>Document #5: EEO management reports</b>			<b>Finding &amp; Corrective action</b>	<b>Comments</b>
5. Does the subrecipient have EEO management reports?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>	<i>EEO monitoring/reporting system deficiencies</i>  Subrecipient must develop documentation of what is being monitored and reported to management	

#### On Site Documentation Review

<b>Document #6: EEO complaints</b>			<b>Finding and Corrective action</b>	<b>Comments</b>
1. Has the subrecipient taken action to	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> <b>No</b>	<i>EEO complaints not resolved</i>	

investigate and resolve the complaints?			Direct subrecipient to investigate and resolve any outstanding EEO complaints.	
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## **Appendix E**

### **FTA Compliance Review Document Checklist**

## FTA Compliance Review Document Checklist

### Financial Management and Capacity Documents Required Before Site Visit

#### *All Subrecipients*

1. Written financial policies and procedures
2. Audited financial statements for the past three years
3. A-133 Single Audit Reports management letter comments for the past three years
4. Comprehensive annual financial Report (CAFR)
5. OIG or GAO audit reports with findings relating to FTA
6. Three to five year capital and operating financial plan
7. Documentation of matching funds
8. Cost allocation plan and cognizant agency correspondence/approval (only if subrecipient charges indirect costs)

### Legal Documents Required Before Site Visit

#### *All Subrecipients*

1. Documentation that proper disclosures have been made and filed with the grantee on the OMB Standard Form LLL
-----------------------------------------------------------------------------------------------------------------

### Technical Documents Required Before Site Visit

#### *All Subrecipients*

1. Grant administration procedures, if written
2. Grant closeout schedule and list of subgrants with 95% expenditures complete ( <i>If OCTA has this information, there is no need to ask subrecipient</i> ).
3. Force accounts plans/ justifications/ approvals (if applicable)
4. Quarterly reporting documents (MPR/FFR inputs) ( <i>If OCTA project manager has this information, there is no need to ask subrecipient</i> )
5. Oversight procedures for contractors ( <i>if subrecipient is using contractors on FTA funded project</i> )
6. Procedures for technical inspection/supervision of capital projects, and progress reports ( <i>if a capital project</i> )

## Technical Documents Required at Site Visit

The documents below are applicable for subrecipients working on capital projects

1. <b>Construction logs and diaries</b>
2. Davis Bacon Wage Rate Posters (reviewed on site)

## Maintenance Documents Required Before Site Visit

*All Subrecipients with FTA funded rolling stock or FTA funded facilities – delete as appropriate*

1. List of contractors who maintain FTA-funded assets
2. Maintenance plan/checklists
a. Vehicles (including rail and ferry, if applicable)
b. Facilities
c. Equipment
3. Manufacturer's recommended preventive maintenance schedules for vehicles, equipment, and facilities
4. List of vehicles and equipment under warranty
5. Contractor oversight procedures

## Maintenance Documents Required at Site Visit

*All Subrecipients with FTA funded rolling stock or FTA funded facilities – delete as appropriate*

1. PM inspection records
a. Directly operated vehicles
b. Contractor-operated vehicles
c. Facilities
d. Equipment
e. ADA accessibility features
2. Procedure for warranty claims

## ADA Documents Required Before Site Visit

*All subrecipients that*

- *Have FTA funded facilities, or*
- *Operate fixed route services, or*
- *Operate demand response*

*Delete as appropriate to service / facilities provided*

1. Operations policies for serving persons with disabilities
2. ADA complementary paratransit eligibility application and eligibility & appeal decision letters
3. Data on the trip denial rate, on-time performance rate, number of missed trips, and number of excessively long trips for ADA complementary paratransit service for the current and previous two years.
4. Operating policies regarding ADA paratransit trip reservations and scheduling
5. No-show/late cancellation policy, if applicable, and records of actions (suspensions, appeals) taken
6. Complaint process

#### Title VI Documents Required Before Site Visit

*All Subrecipients.*

*Note: Some documents listed below apply only to areas with over 200,000 UZA –only request applicable documents*

1. Title VI complaint process and complaints
2. Equity analysis for facility siting (if facility sited after October 1 <sup>st</sup> 2012)
3. Documentation of LEP Analysis/Implementation Plan/Language Assistance Plan
4. Demographic data/analyses (over 200,000 UZA)
5. Service standards/policies (over 200,000 UZA)
6. Documentation of service monitoring to identify disparities (over 200,000 UZA)
7. Documentation of equity analysis for fare or service changes (over 200,000 UZA)

#### Procurement Documents Required Before Site Visit

*All Subrecipients.*

1. Written procurement policies and procedures including standards of conduct, organizational conflict of interest, and protest procedure
2. Contract Administration System Procedures
3. List of prequalification criteria (if applicable)
4. List of FTA funded capital and operating procurements over the last 2 years or since the last review (whichever is most recent)

## Procurement Documents Required At Site Visit

The provided list of FTA funded capital and operating procurements will be used by OCTA to determine a sample of procurement files to review on-site.

Document 5 relates to *procurements of steel, iron, and manufactured products, except for products with a waiver or purchases under the simplified acquisition threshold (currently \$100,000)*

<b>5. Pre and Post Delivery Buy America certifications</b>
------------------------------------------------------------

## DBE Documents Required Before Site Visit

*All subrecipients with over \$250K in FTA contracting opportunities (not including revenue vehicles)*

1. Submitted and Approved DBE Program
2. Goal methodology and current goal
3. DBELO job description and organizational chart showing relationship of DBELO
4. DBE Uniform Reports
5. DBE goal shortfall analysis (this is applicable to subrecipients that have not previously met their DBELO program goals)
6. Good faith effort documentation
7. Compliance monitoring reports

## Satisfactory Continuing Control Documents Required Before Site Visit

*All subrecipients – but different documentation is required for the different types of projects that FTA funds (property, equipment, rolling stock). Only request applicable documents from subrecipient.*

1. Procedures for maintaining control of FTA funded property, equipment, and rolling stock (if applicable)
2. Property records of federally funded equipment and rolling stock (if applicable)
3. Listing of real property, equipment, and vehicles removed from transit service (if applicable)
4. Evidence of most recent inventory reconciliation (if applicable)
5. Excess real property inventory/ utilization plan (if applicable)
6. Bus Fleet Contingency Plan (if applicable)
7. Documentation of peak vehicle requirements for fixed route service (if applicable)

## Planning/Program of Projects Documents Required Before Site Visit

### *All Subrecipients*

1. Evidence of Participation in Coordinated Planning Process (5310)
2. MPO's public participation plan procedures (if applicable)
3. Public notice of the POP

## Public Comment on Fare and Service Changes Documents Required Before Site Visit

1. <i>All subrecipients operating fixed route service.</i> Description of procedures for public comment on fare increases and major service reductions
2. Documentation from fare increases and major service reductions implemented since last review

## Half Fare Documents Required Before Site Visit

### *All subrecipients operating fixed route service*

1. Fare structure description
2. Half fare program description
3. Half fare public information
4. Half fare ID application

## Charter Bus Documents Required Before Site Visit

### *All subrecipients operating Charter Services*

1. Quarterly reports to FTA
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## School Bus Documents Required Before Site Visit

### *All subrecipients operating School Bus services*

1. Bus schedules showing tripper routes as part of regularly scheduled routes (if applicable)
-----------------------------------------------------------------------------------------------



## Drug and Alcohol Program Documents Required Before Site Visit

*All FTA subrecipients with safety sensitive employees*

1. Drug-free workplace policy
2. Drug and alcohol policy
3. Post-accident decision form, if used
4. List of supervisors and other officials responsible for making reasonable suspicion testing decisions
5. Training records of supervisors and other officials responsible for making reasonable suspicion testing decisions
6. Form requesting drug and alcohol testing history of applicants
7. MIS reports for past three years for subrecipient and sample of contractors

## Drug and Alcohol Program Documents Required at Site Visit

1. Accident files and reports
2. Monitoring reports of laboratories, collection services, or other vendors in the program

## EEO Documents Required Before Site Visit

*Subrecipients with 50 or more transit related employees and either a) requests or received in excess of \$1M in capital and/or operating assistance or requests or b) receives in excess of \$250K in planning assistance.*

1. Submitted and Approved EEO Program (if applicable)
2. Job description for EEO officer
3. Workforce utilization analysis
4. Employment practice analysis
5. EEO management reports

## EEO Documents Required at Site Visit

1. EEO complaints
-------------------

## **Appendix F**

### **Letter to Subrecipients Desk Review**

## Letter to Subrecipients – Desk Review

Mr./Mrs.

Executive Director

[Subrecipient]

Street Address

City, State, Zip

### Re: FTA Subrecipient Compliance Review and Information Request

Dear Mr./Mrs Executive Director:

The Orange County Transportation Authority (OCTA) is conducting a Subrecipient Compliance Review of your agency. This annual desk based review determines whether a subrecipient is administering its FTA-funded programs in accordance with 49 U.S.C. Chapter 53, Federal transit law provisions. It assesses subrecipient management practices and program implementation to ensure that the programs are administered in accordance with FTA requirements and are meeting program objectives.

Please find attached a Subrecipient Information Request which provides instructions and document requests. If you believe any document requested is not applicable to your organisation, please explain why. Your responses to this request will support our assessment of your agency's compliance with federal requirements.

Please send the requested information to OCTA by [insert date].

The findings and any corrective actions will be discussed with you following the review.

If you have any questions about the review, the discussion items or the documentation required, please contact [insert project manager name and contact information].

Sincerely,

[Name]

[Title, Department]

## **Appendix G**

### **Letter to Subrecipients On-Site Review**

## Letter to Subrecipients – On-Site Review

Mr./Mrs.

Executive Director

[Subrecipient]

Street Address

City, State, Zip

### **Re: FTA Subrecipient Compliance Review and Information Request**

Dear Mr./Mrs Executive Director:

The Orange County Transportation Authority (OCTA) plans on conducting a Subrecipient Compliance Review of your agency on [insert date]. The review will determine whether you are administering your FTA-funded programs in accordance with 49 U.S.C. Chapter 53, Federal transit law provisions and our subrecipient agreement. The purpose of the review is to assess your management practices and program implementation to ensure that programs are administered in accordance with FTA requirements and are meeting program objectives.

Our process begins with the attached Subrecipient Information Request which provides instructions and document requests. Your responses to this request will support our assessment of your agency's compliance with federal requirements.

Please send the requested information to OCTA by August 4, 2014. If you believe any document requested is not applicable to your organisation, please explain why. This document request includes a list of procurement files, as the Review Team will wish to review a sample of files on site. The sample of files will be determined before the site visit.

Please have members of your staff who are familiar with the topics and related issues available during the site visit so that our time together will be as productive as possible.

If you have any questions about the review, the discussion items or the documentation required, please contact [insert project manager name and contact information]. We look forward to a meaningful and successful visit. Thank you.

Sincerely,

[Name]

[Title, Department]

## **Appendix H**

### **Letter to Recipients Pre-Visit**

## Letter to Recipients – Pre-Visit Information Report

Mr./Mrs.  
Executive Director  
[Subrecipient]  
Street Address  
City, State, Zip

### **Re: FTA Subrecipient Compliance Review and Information Request**

Dear Mr./Mrs Executive Director:

The Orange County Transportation Authority (OCTA) will be conducting a Subrecipient Compliance Review of your agency. The review will determine whether you are administering your FTA-funded programs in accordance with 49 U.S.C. Chapter 53, Federal transit law provisions and our subrecipient agreement. The purpose of the review is to assess your management practices and program implementation to ensure that programs are administered in accordance with FTA requirements and are meeting program objectives.

On [date] we sent you a Subrecipient Information Request providing instructions and document requests. Thank you for the documents you have sent us.

In order for your agency to prepare for the on-site review, we have provided you with our initial review of the documents received so far. This outlines the documents received, missing documents and any issues with submitted documents outlined under the 'comments' sections.. Please review the attached report in advance of the site-visit. Please have all outstanding documents available for the Review Team at the site visit and ensure all relevant staff members are available for interview.

As agreed, the site visit will occur [dates]. This will start with an Entrance Conference [time date] introducing the Review Team, and will conclude with an Exit Conference at [time/date] to discuss the preliminary findings. During the review the team will undertake interviews, review documentation and visit and inspect federally funded facilities, vehicles and other major assets.

If you have any questions about the Pre-Visit Information report or the review activities, please contact [insert project manager name and contact information]. We look forward to a meaningful and successful visit. Thank you.

Sincerely,

[Name]  
[Title, Department]

## **Appendix I**

### **Procurement File Review Checklist**



## Procurement File Checklist

- Micro-purchase threshold \$3,000
- Small purchase threshold, as outlined in subrecipient procurement manual. For FTA procurements this may range from \$3,000 to \$100,000
- RFP or IFB threshold. Anything above small purchase.
- Sole source procurement – only if other awards are infeasible

Contract:			Contract Value:		
REQUIREMENT		FTA C 4220.1F REFERENCES	ND	D	Comments
<i>Selection Procedures</i>	The subrecipient has written selection procedures and the solicitation also identifies all requirements that offerors must fulfill and all other factors to be used in evaluating bids or proposals. <b>All procurements over small purchase threshold</b>	<i>Ch. III, §3d(1)(c)</i>			
<i>Independent Cost Estimate</i>	The subrecipient made and documented an independent cost estimate before receipt of proposals. <b>All procurements over micro-purchase threshold</b>	Ch. VI, §6			
<i>Cost/Price Analysis</i>	Either a cost analysis, with associated profit negotiation, or a price analysis was performed and documented in the procurement file with respect to the initial contract award. Also cost analysis was performed when negotiating contract modifications unless price reasonableness was established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or on the basis of prices set by law or regulation. <b>All procurements over micro-purchase threshold</b>	<i>Ch. VI, §6</i>			

Contract:			Contract Value:		
REQUIREMENT		FTA C 4220.1F REFERENCES	ND	D	Comments
<i>Responsibility Determination</i>	The subrecipient made a determination that it was awarding to a responsible contractor considering such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. This is done through evidence of a SAM check <a href="http://www.sam.gov">www.sam.gov</a> . All procurements over a small purchase threshold.	Ch. VI, §8.b			
<i>Justification for Noncompetitive Awards</i>	The contract file contains documentation that award of a contract was infeasible under small purchase procedures, sealed bids, or competitive proposals and at least one of the following circumstances applies: (1) The item was available only from a single source. (2) Public exigency for the requirement did not permit a delay resulting from a competitive solicitation. (3) An emergency for the requirement did not permit a delay resulting from a competitive solicitation. (4) The FTA authorized noncompetitive negotiations. (5) Competition was determined inadequate after solicitation of a number of sources. For sole source procurements (above micro-purchase threshold)	Ch VI, §3.i(1)(b)			
<i>No excessive bonding requirements</i>	No unreasonable requirements are placed on firms in order for them to qualify to do business. Above small purchase threshold	Ch. VI, §2.h(1)(f)			
<i>No exclusionary specifications</i>	The solicitation does not contain unreasonable requirements placed on firms in order for them to qualify to do business. Above micro-purchase threshold	Ch. VI, §2.a(4)			

Contract:			Contract Value:		
REQUIREMENT		FTA C 4220.1F REFERENCES	ND	D	Comments
<i>No geographic preferences</i>	Except when procuring A&E services, no in-State or local geographical preferences are allowed in the evaluation of bids or proposals unless Federal statutes expressly mandate or encourage geographic preference. <b>Above micro-purchase threshold</b>	<i>Ch. VI, §2.a(4)(g)</i>			
<i>Evaluation of Options</i>	The option quantities or periods contained in the contractor's bid or offer were evaluated in order to determine contract award. (To be eligible for Federal funding, options must be evaluated as part of the price evaluation of offers, or must be treated as sole source awards.) If the contract does not contain options, state NA. <b>Above micro-purchase threshold</b>	<i>Ch. VI, §7.b</i>			
<i>Exercise of Options</i>	The subrecipient exercised an option on this contract adhering to the terms and conditions of the option stated in the contract and determined that the option price was better than prices available in the market or that the option was a more advantageous offer at the time the option was exercised. If an option was not exercised under this contract, state NA. <b>For procurements above micro-purchase level</b>	<i>Ch. V, §7.a</i>			
<i>Lobbying Certifications Signed by Contractors</i>	<b>For procurements &gt; \$100,000</b>	<i>§3.d(1)</i>			
<i>Buy America Provisions in Solicitation or Contract</i>	<b>Procurements of steel, iron or manufactured products &gt; \$100,000</b>	<i>Ch VI §16.a</i>			

Contract:			Contract Value:		
REQUIREMENT		FTA C 4220.1F REFERENCES	ND	D	Comments
<i>Time and Materials Type Contract</i>	If this is a time and materials contract; the subrecipient determined that no other type of contract is suitable; and the contract specifies a ceiling price. If this is not a time and materials contract, check NA. <b>Procurements above micro-purchase threshold</b>	<i>Ch VI, §2.c.(2)(b)</i>			
<i>Qualifications Based Procurement Requirements</i>	This solicitation did not contain unreasonable requirements placed on firms in order for them to qualify to do business. <b>Procurements above micro-purchase threshold</b>	<i>Ch VI, 2. a. (4) (a)</i>			
<i>Liquidated Damages Clause</i>	This contract contains liquidated damages provisions and the assessment for damages is specified in the contract at a specific rate per day for each day of overrun in contract time. If this contract does not contain liquidated damages provisions, check NA. <b>Procurements above micro-purchase threshold</b>	<i>Ch IV, 2.b.(6)(b) 1)</i>			
<i>Change Order Documentation</i>	The subrecipient amended this contract outside the scope of the original contract. The amendment was treated as a sole source procurement (complying with the FTA requirements for a justification, cost analysis and profit negotiation). If the contract was not modified or if all reviewed modifications were within the scope of the contract, check Not Applicable. <b>All procurements above the micro-purchase threshold</b>				

Contract:			Contract Value:		
REQUIREMENT		FTA C 4220.1F REFERENCES	ND	D	Comments
<i>Contract Clauses</i>	<p>This contract contains the appropriate FTA required clauses (see separate summary sheet on following page). <b>Above micro-purchase threshold</b></p> <p>The Master Agreement should be used to determine the applicability of the clauses to the procurement type. FTA C 4220.1F, Appendix D, and The Best Practices Procurement Manual, Appendix A.1, can be used to determine the applicability of the specific language of a clause that a grantee may use.</p>				

## APPLICABILITY OF THIRD PARTY CONTRACT PROVISIONS

*(excluding micro-purchases, except Davis-Bacon requirements apply to contracts exceeding \$2,000)*

PROVISION	Professional Services/A&E	Operations/ Management	Rolling Stock Purchases	Construction	Materials & Supplies
No Federal Government Obligations to Third Parties (by Use of a Disclaimer)	All	All	All	All	All
False Statements or Claims Civil and Criminal Fraud	All	All	All	All	All
Access to Third Party Contract Records	All	All	All	All	All
Changes to Federal Requirements	All	All	All	All	All
Termination	>\$10,000 if 49 CFR Part 18 applies.	>\$10,000 if 49 CFR Part 18 applies.	>\$10,000 if 49 CFR Part 18 applies.	>\$10,000 if 49 CFR Part 18 applies.	>\$10,000 if 49 CFR Part 18 applies.
Civil Rights (Title VI, EEO, ADA)	>\$10,000	>\$10,000	>\$10,000	>\$10,000	>\$10,000
Disadvantaged Business Enterprises (DBEs)	All	All	All	All	All
Incorporation of FTA Terms	All	All	All	All	All
Debarment and Suspension	>\$25,000	>\$25,000	>\$25,000	>\$25,000	>\$25,000
Buy America			>\$100,000	>\$100,000	>\$100,000
Resolution of Disputes, Breaches, or Other Litigation	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Lobbying	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Clean Air	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Clean Water	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Cargo Preference			For property transported by ocean vessel.	For property transported by ocean vessel.	For property transported by ocean vessel.
Fly America	For foreign air transport or travel.	For foreign air transport or travel.	For foreign air transport or travel.	For foreign air transport or travel.	For foreign air transport or travel.
Davis-Bacon Act				>\$2,000 (including ferry vessels)	

PROVISION	Professional Services/A&E	Operations/ Management	Rolling Stock Purchases	Construction	Materials & Supplies
Contract Work Hours and Safety Standards Act		>\$100,000 (except transportation services)	>\$100,000	>\$100,000 (including ferry vessels)	
Copeland Anti-Kickback Act Section 1 Section 2				All All exceeding \$2,000 (including ferry vessels)	
Bonding				\$100,000	
Seismic Safety	A&E for New Buildings & Additions			New Buildings	
Transit Employee Protective Arrangements		Transit Operations			
Charter Service Operations		All			
School Bus Operations		All			
Drug Use and Testing		Transit Operations			
Alcohol Misuse and Testing		Transit Operations			
Patent Rights	Research & Development				
Rights in Data and Copyright Requirements	Research & Development				
Energy Conservation	All	All	All	All	All
Recycled Products		Contracts for items designated by EPA, when procuring \$10,000 or more per year		Contracts for items designated by EPA, when procuring \$10,000 or more per year	Contracts for items designated by EPA, when procuring \$10,000 or more per year
Conformance with ITS National Architecture	ITS Projects	ITS Projects	ITS Projects	ITS Projects	ITS Projects
ADA Access	A&E	All	All	All	All
Notification of Federal Participation for States	Limited to States	Limited to States	Limited to States	Limited to States	Limited to States

## **Appendix J**

### **FTA Compliance Review Report**



## FTA Compliance Review Report

Contract Number

Project Manager

Project Title

Division

Subrecipient/ Agency

Contract Value

Payments to Date

Draft Report Date:		Draft Report Status (Version no. or FINAL)	
Desk Review Request Date:		Site Visit Dates (where applicable)	

Report Prepared by:	
Report Reviewed by (date):	

## Purpose

This report summarizes the findings from the Subrecipient Oversight Monitoring Review undertaken by OCTA. It highlights any deficiencies found and outlines the corrective actions required along with the timelines for completing these activities.

The Formal Compliance Review forms part of the OCTA Subrecipient Monitoring Procedures which are designed to:

- Ensure that all technical specifications and cooperative/subrecipient agreement requirements are met by subrecipients
- Monitor compliance with FTA requirements for FTA-funded vehicles or facilities that are maintained by subrecipients
- Monitor compliance with FTA requirements for transit services provided by subrecipients
- Identify performance issues and non-compliance with FTA requirements; address them in a timely manner
- Track information regarding performance quality for the purposes of evaluating subrecipients for future grant awards

## Approach

*[Amend based on whether the review was desk based or on site.]*

This report outlines the findings from the [desk / on site] compliance review.

A desk review is completed annually for all Subrecipients. Formal on-site compliance reviews are undertaken for each subrecipient a minimum of once every 24 months. The Site visit review frequency is based on the level of risk associated with each subrecipient or project.

[Subrecipients] last desk review occurred [date] and previous onsite review was completed on [date]

The review team requested relevant documents from [subrecipient] in advance of the site visit. These were reviewed to determine whether compliance or information gaps existed. [Subrecipient] was given a list of the identified performance gaps before the site visit to enable their preparation for the discussion during the on-site review.

During the site visit, administrative and statutory requirements were discussed and documents were reviewed. [Subrecipients]'s transit facilities were toured to provide an overview of activities related to FTA-funded projects.

The subrecipient was assessed in the following areas, as required by FTA requirements *[delete as necessary]*

- Financial Management and Capacity
- Legal

- Technical Capacity
- Satisfactory Continuing Control
- Title VI
- Procurement
- DBE
- Maintenance
- ADA
- Half Fare
- Charter Bus
- School Bus
- Drug free workplace and drug and alcohol program
- EEO
- Public Comment
- Planning/Program of Projects

### Findings and Corrective Actions

As a result of the site visit, the FTA subrecipient was found not deficient in [XXXX] areas. Deficiencies were found in [xxx] areas. All areas reviews are summarized in the chart below, as well as corrective actions and due dates. There were no repeat deficiencies. (If there were repeat deficiencies from previous reviews, they would be noted here)

A draft of this report along with any corrective actions has been shared with [subrecipient] for comment. The final report has been submitted to the OCTA CEO for transmittal to the subrecipient.

The status of any corrective actions will be tracked by the OCTA project manager, who will determine when action requirements have been met. Failure to deliver the corrective actions in the agreed timeframe may lead to future payments being withheld.

### Definitions

The metrics used to evaluate whether a Subrecipient is meeting the requirements for each of the areas reviewed are:

- No Finding: During the review, no findings were noted with the subrecipient's implementation of the FTA requirements.
- Finding: Subrecipient is missing documentation or the documentation provided is missing key FTA requirements.
- Open Action Items: Subrecipients have not yet had to comply with particular Federal Requirements, but will need to do so in the future. For example, a facility capital project does not need a facility or equipment maintenance program during building phases, but the subrecipient should submit a program to OCTA before the facility is operational.

- ***Not Applicable:*** An area can be deemed not applicable if, after an initial assessment, the subrecipient does not conduct activities for which the requirements of the respective area would be applicable.

#### Subrecipient Description

*[Provide brief summary of the subrecipient and the grant activity (projects currently underway, or completed since the last review)]*

#### Summary of Findings

The table below outlines the findings and deficiencies for all the relevant review areas.

Review Area	Finding	Deficiency	Corrective Action	Response Due Date	Date Closed
Financial Management and Capacity					
Legal					
Technical Capacity					
Satisfactory Continuing Control					
Title VI					
Procurement					
DBE					
Maintenance					
ADA					

Half Fare					
Charter Bus					
School Bus					
Drug free workplace and drug and alcohol program					
EEO					
Public Comment					
Planning/Program of Projects					

[For Capital Projects – this table can be used to document and track any additional Capital Project findings]

The table below lists the findings from the Capital Project Review Checklist:

Review Area	Finding	Deficiency	Corrective Action	Response Due Date	Date Closed
Project/ Program Management					
Construction Administration and Contractor Compliance					

## **Appendix K**

### **Letter to Subrecipients Draft Compliance Report**

## Letter to Subrecipients – Draft Compliance Report

Mr./Mrs.

Executive Director

[Subrecipient]

Street Address

City, State, Zip

### Re: FTA Subrecipient Compliance Report

Dear Mr./Mrs Executive Director:

As you know, the Orange County Transportation Authority (OCTA) recently undertook a Subrecipient Compliance Review of your agency.

This review determines whether a subrecipient is administering its FTA-funded programs in accordance with 49 U.S.C. Chapter 53, Federal transit law provisions. It assesses subrecipient management practices and program implementation to ensure that the programs are administered in accordance with FTA requirements and are meeting program objectives.

The review focused on [subrecipients] compliance in [#] areas. No deficiencies were found with FTA requirements in [#] areas. Deficiencies were found in [#] areas [LIST]. [Subrecipient] had [#] repeat deficiencies from the previous [date] Suprecipient Compliance Review , in the areas of [LIST].

Please find attached a draft Compliance Review Report, outlining these findings and the corrective actions.

Please review this draft report for accuracy and provide your comments to the Review Team Leader within ten business days from the date of this letter. A final report, that incorporates your comments to the draft report, will be provided to you within [#] business days of your response.

Thank you for your cooperation and assistance during this Subrecipient Compliance Review. If you have any questions, please do not hesitate to contact [review team leader name and contact info].

Sincerely,

[Name]

[Title, Department]

## **Appendix L**

### **FTA Subrecipient Closeout Review Checklist**



## FTA Subrecipient Closeout Review Checklist

Contract Number

Project Manager

Project Title

Division

Subrecipient/  
Agency

Contract Value

		Date completed	Comments
<b>1. All products or services requested were provided? Check against:</b>			
a. Cooperative agreement	<input type="checkbox"/> Yes <input type="checkbox"/> No		
b. Quarterly Progress reports	<input type="checkbox"/> Yes <input type="checkbox"/> No		
c. Change requests	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		
d. Other. Please describe:	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		
<b>2. Proof of completion</b>			
a. Site visit by OCTA staff <i>Include written attestation</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		
b. Photographic evidence <i>Include</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		
c. Documentation adequately shows receipt and formal acceptance of all contract items	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		

<i>Include</i>			
d. Other proof. Please describe:  <i>Include</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		
<b>3. Patent rights or ownership rights have been transferred to OCTA</b>  <i>Include documentation if applicable</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		
<b>4. Contractor has assigned all guarantees and warranties to OCTA</b>  <i>Warranty information if applicable</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		
<b>5. All actions related to contract price revisions and changes are concluded</b>  <i>Include copies of any change agreements, including supporting information such as cost analysis and records of negotiations</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>6. No claims or investigations are pending</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>7. Any subcontracting issues are settled</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		
<b>8. If partial or complete termination was involved, action is complete</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		
<b>9. Final Invoice Submitted and approved for payment by</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No		

<b>Project Manager</b>  <i>Include copy of Invoice and Invoice Review checklist</i>			
<b>10. Final Financial report</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>11. Final Budget revision completed reflecting project cost by scope and activity</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>12 Request to deobligate any unexpended balance of Federal funds as applicable</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> N/A		
<b>13 Final narrative milestone/progress report including a discussion of each activity line item contained in the final budget</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>14. List of equipment purchased under the grant</b>  <i>Include</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> N/A		
<b>15. Any other documentation required under the conditions of the grant. Please specify</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> N/A		
<b>For Constriction contracts:</b>			
<b>16. Any required contract audit or labor standard final approvals are completed</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		

<i>Include certified payroll reports or other proof</i>			
<b>17. OCTA has completed a Final Inspection</b>  <i>Include Final Inspection Report</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		

### Performance Summary

Original Planned Start Date:		Original Planned Finish Date	
Actual Start date:		Actual Finish Date	

Original Contract Price		Original Planned Match Funding (%):	
Final Contract Price		Actual Planned Match Funding (%)	

Is there an unexpected balance of Federal Funds?	<input type="checkbox"/> Yes <input type="checkbox"/> No
--------------------------------------------------	----------------------------------------------------------

		Signature	Date
Completed By	Project Manager		
Approved By	Senior Management		

## **Appendix M**

### **Capital Project FTA Subrecipient Monitoring Checklist Sample**

## Capital Project FTA Subrecipient Monitoring Checklist

Contract Number	_____	Project Manager	_____
Project Title	_____	Division	_____
Subrecipient/ Agency	_____	Contract Value	_____
Contract Start Date	_____	Contract End Date	_____
Date of Checklist	_____		_____

As part of OCTA's subrecipient monitoring, OCTA should ensure that subrecipients are adequately monitoring their projects and contractors, and that the required Quality Assurance controls are in place. The below checklist is intended to facilitate this monitoring process, and can be used at all relevant review points (first Quarterly Report after project commences, Formal Compliance Reviews).

### Project/ Program Management

Area		Evident, Appropriate & Acceptable Quality?	Comment
<b>Project / program management &amp; documentation</b>	Project management plan  Including: clearly defined roles and responsibilities; reporting and decision making approaches	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	Document / information management system	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	Project Management resources sufficient	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Financial management and Procurement</b>	Financial and activity tracking against planed budget and forecast milestones/ activities	<input type="checkbox"/> Yes <input type="checkbox"/> No	

	Compliance with procurement regulations (see Procurement Section in Compliance Review Document Checklist)	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	Financial management system ties with grant expenditures and reporting guidelines (see Financial Management in Compliance Review Document Checklist)	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>On site monitoring and reporting</b>	Project schedule with contractor milestones	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	Recurring oversight plan and reporting.	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	Reflective practice: Lessons learned, before and after studies	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Safety and Security and Emergency oversight</b>	Safety and security management plan.	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	Activity complies to FTA's Project and Construction Management Guidelines	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Change Management</b>	Procedures and information systems to administer and track changes to their contractors' contracts and resolve claims	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	Maintained claims files, change order files,	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Risk Management</b>	Risk Management Procedures	<input type="checkbox"/> Yes <input type="checkbox"/> No	

	Risk and Issue Log	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	Risk assessments and contingency reviews undertaken for project activities	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Design control</b>	Design control documentation including standards, design criteria reports, and value engineering reports	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Quality Assurance/ Quality Control</b>	Quality Management Plan including clarity over Quality Assurance and Quality Verification roles and activities for the project.	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Communication</b>	Communications plan and Stakeholder management plan where necessary	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	Timely reporting of risks, issues, change requests and claims to OCTA	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Fleet Management</b>	Fleet Management Plan	<input type="checkbox"/> Yes <input type="checkbox"/> No	

#### Construction Administration and Contractor Compliance

Area		Evident, Appropriate & Good Quality?	Comment



<b>Construction administration</b>	Design drawings and construction documents	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	Construction Contracts with clear specifications, terms and conditions	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	Third Party Agreements (where necessary)	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	Inspection and Testing Reports	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	Contract Management Reports	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Technical Capacity</b>	Evident within organization charts, roles and responsibilities	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Labor Compliance</b>	Davis-Bacon compliance  <i>Spot check construction logs/ diaries against certified payrolls</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>EEO/Wage Rate Posters</b>	EEO/ Wage Rate posters evident on construction site  <i>Site visit to check posters clearly visible</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Buy America</b>	Compliance with Buy America  <i>Check construction area and contractors yard. Check all pre and post-delivery certifications</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>DBE contractors</b>	Use of DBE contractors	<input type="checkbox"/> Yes <input type="checkbox"/> No	

	<i>Check on site use is in accordance with subrecipient comments</i>		
<b>Contractor compliance with other relevant legislation and policies (please list)</b>		<input type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Yes <input type="checkbox"/> No	

		Signature	Date
<b>Completed By</b>	<b>Project Manager</b>		
<b>Approved By</b>	<b>Senior Management</b>		

## **Appendix N**

### **Opening Conference Template**

**[Name of Subrecipient]**



**SUBRECIPIENT OVERSIGHT REVIEW  
ENTRANCE CONFERENCE**

**[DATE]**  
**OCTA**



# Entrance Conference Agenda

- Introductions & Sign-In
- Presentation:
  - Overview of the Review process
  - Areas Reviewed
  - Site Visit Agenda
  - Source Documents for On-Site Review
  - Next Steps
- Onsite: Work space, working hours, availability of copying equipment
- General Discussion, Q & A

# **OCTA Subrecipient Monitoring Process**

## **➤ Formal Compliance Reviews**

- **Desk review of submitted material**
- **On-site review**
- **Compliance review report**
- **Corrective action monitoring**

## **➤ Ongoing Oversight**

- **Invoice Reviews**
- **Quarterly Reporting**

# Areas Reviewed

1. Financial Management & Capacity
2. Legal
3. Technical Capacity
4. Maintenance
5. Americans with Disabilities Act (ADA)
6. Title VI
7. Procurement
8. Disadvantaged Business Enterprise (DBE)
9. Satisfactory Continuing Control
10. Planning/Program of Projects
11. Public Comments
12. Half Fare
13. Charter Bus
14. School Bus
15. Drug-Free Workplace/Drug and Alcohol Program
16. Equal Opportunity Employment (EEO)

# Site Visit Agenda

Day 1: [Date]	
Time	Agenda Item
11:00-11:15 am	Introductions and Entrance Conference
11:15-12:30 pm	Legal Financial Management and Financial Capacity
12:30-1:00	Lunch
1:30-5:00 pm	Technical Satisfactory Continuing Control Planning/Program of Projects Title VI <i>Procurement Review of Procurement Files</i> Disadvantaged Business Enterprise Americans with Disabilities Act (ADA)



# Site Visit Agenda

Day 2: [Date]	
Time	Agenda Item
8:30-10:30 am	Maintenance <i>Facility Tour/Review of PM records</i>
10:30-12:00 pm	Public Comment on Fare and Service Charges Half Fare Charter Bus School Bus
12:00-1:00 pm	Lunch
1:00-3:00 pm	Drug-Free Workplace and Drug and Alcohol Program Equal Employment Opportunity
3:00-4:00 pm	Wrap Up and Pre-Exit Conference
4:00 pm	Exit Conference

# Source Documents Required for Onsite Review

- **Financial**

- Invoice Requests, Transactions, and Underlying Transactions

- **Procurement**

- Sample of Procurement File Documentation

- **Maintenance**

- Selection of Facility and Equipment Maintenance Records

- **Pre-Review Assessment Follow-Up Questions**

## Next Steps

- Draft Report to [Subrecipient]
- [Subrecipient] must submit comments on Draft Report to OCTA Program Manager within 10 business days of receipt
  - [Subrecipient] may submit any corrective actions with the comments on the Draft Report for consideration.
- Final Report to [Subrecipient]
- Ongoing corrective action monitoring

# Contact Us

[Program Manager Contact Information]



## **Appendix O**

### **Closing Conference Template**

**[Name of Subrecipient]**



**SUBRECIPIENT OVERSIGHT REVIEW  
CLOSING CONFERENCE**

**[DATE]**  
**OCTA**



# Closing Conference Agenda

- Introductions & Sign-In
- Preliminary Findings and Corrective Actions
  - Open Action Items
  - Pending Documentation
- Next Steps
- Close

# Preliminary Findings

Area	Finding	Deficiency	Corrective Action	Response Date
Financial Management & Capacity				
Legal				
Technical Capacity				
Maintenance				
ADA				
Title VI				
Procurement				



# Preliminary Findings

Area	Finding	Deficiency	Corrective Action	Response Date
DBE				
Satisfactory Continuing Control				
Planning/Program of Projects				
Public Comment				
Half Fare				
Charter Bus				
School Bus				
Drug and Alcohol				
EEO				

# Next Steps

- OCTA Program Manager Draft Compliance Review Report
- Draft Report to [Subrecipient]
- [Subrecipient] must submit comments on Draft Report to OCTA Program Manager within 10 business days of receipt
  - [Subrecipient] may submit any corrective actions with the comments on the Draft Report for consideration.
- Final Report to [Subrecipient]
- Ongoing corrective action monitoring

# Contact Us

[Program Manager Contact Information]



## **Appendix P**

### **Allowable Costs and Cost Allocation Plan Review**

## Allowable Costs and Cost Allocation Plan Review

Detailed guidance on determining allowable costs can be found within:

- OMB 2 CFR Part 225 (Cost Principles for State, Local and Indian Tribal Governments)
- OMB 2 CFR, Part 230 (Cost Principles for Non-Profit Organizations)

The notes below summarize this guidance, but should not be regarded as definitive. The above guidance should be used to clarify any queries regarding allowable costs.

### Basic guidelines

To be allowable under Federal awards, costs must be

- **Necessary, and reasonable** for proper and efficient performance of the organization and administration of Federal awards
- Allocable by Federal awards under the above OMB guidance, and conform to any limitations listed (see below for some examples)
- Authorized under **State or local laws or regulations**
- Consistent with policies, regulations and procedures
- Accorded consistent treatment with other costs incurred for the same purposes in similar circumstances
- Determined according to generally accepted accounting principles
- Not be included as a cost or used to meet any cost sharing or matching requirements of any other Federal award in the current or prior period (except when Federal approval is provided)
- The net of all applicable credits
- Adequately documented

### Determining reasonable cost: Questions to ask

- Is the cost ordinary and necessary to achieve the Federal award/ outcomes?
- What are market prices for comparable goods or services?
- Did the individuals involved act prudently?
- Are there any restraints or requirements imposed (e.g. Federal regulations) which might have affected the cost?
- Was the approach undertaken appropriate, fitting with established practices?

**Direct costs** are those that can be identified specifically with a particular final cost objective.

- Compensation of employees devoted and identified specifically to the performance of the award,

- Cost of materials acquired, consumed or expended specifically for the purpose of the award,
- Equipment and other approved capital expenditures.

Minor direct cost items can be treated as an indirect cost for reasons of practicality. The accounting treatment must be consistently applied to all cost objectives.

**Indirect costs** are those included for a common or joint purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.

### **Cost Allocation Plan (CAP)**

A Cost Allocation Plan (“CAP”) is intended to achieve more efficient and uniform administration of federal awards. It provides the foundation for greater uniformity in the costing procedures of nonfederal governments and in the reimbursement practices of federal agencies. It provides principles and standards for determining both direct and indirect costs applicable to Federal cost-based awards to governmental units.

**Procedures for developing a CAP related to indirect costs** (Note: this does not apply to not-for-profit subrecipients – please see relevant section below)

#### ***For the sub-recipient:***

1. Determine what type of indirect costs rates apply. There are four possible types of indirect cost rates:

- A **provisional rate** is a temporary rate, agreed to in advance, and is based on anticipated future costs. It is subject to retroactive adjustment at a future date after costs are known.
- A **final rate** is established after the costs are known. It adjusts the provisional rate but is administratively burdensome. Underpayments resulting from application of the provisional rate are subject to availability of funds; while overpayments must be credited or returned (provisional rate and final rates are two stages of one approach).
- A **fixed rate** is also agreed to in advance, based on an estimate of future costs, but it is not retroactively adjusted. Instead, the difference between estimated and actual costs is carried forward to future years.
- A **predetermined rate** is agreed to in advance, based on an estimate of future costs, but is not subject to adjustment except under very unique circumstances. It is intended to be permanent and thereby reduce the administrative burden associated with indirect cost recovery. A predetermined rate may not be used for a sub-recipient that does not submit its indirect cost rate proposals to OCTA for negotiation.

2. Determine the allocation method for the indirect costs:

- Simplified method

b. Multiple allocation base method

3. Upon determining the rate and allocation method, an indirect cost proposal by the sub-recipient should be drafted, and certified thereafter. The draft should include the following:

- a. The rates proposed, including subsidiary work sheets and other relevant data, cross-referenced and reconciled to the financial data.
- b. A copy of the financial data upon which the rate is based, such as financial statements, comprehensive annual financial report, executive budgets, accounting reports
- c. The approximate amount of direct base costs incurred, broken out between salaries and wages and other direct costs. The sub-recipient should use the breakdown between the salaries and wages and other direct costs within the direct base costs to determine whether to establish the resulting indirect costs rate on the basis of the salaries and wages or modified total direct costs.
- d. A chart showing the organizational structure of the sub-recipient during the period for which the proposal applies, along with a functional statement(s) noting the duties and/or responsibilities of all units that comprise the sub-recipient. The organizational chart that is submitted with the indirect cost rate proposal should be accompanied by a narrative statement. This statement should provide sufficient detail about the functions that are performed by component units to permit OCTA to differentiate levels of benefit provided and received within the organization.

***OCTA review process:***

Following submission OCTA should undertake the following review of the CAP draft. Note: this could be undertaken by Finance and Administration, or Internal Audit (to be agreed)

**Steps in the Review Process**

1. Review the submission for materiality, completeness, and reliability of supporting data, including audited financial statements.
2. Acknowledge receipt and request any needed additional information.
3. Review prior negotiation and audit experience; assess prior agreements and applicable conditions.
4. Assess the submission's general reliability and the governmental unit's financial condition.
5. Determine the extent to which coordination with other awarding sub-recipients may be necessary.
6. Review the proposal for accuracy and determine whether it includes all activities and costs of the sub-recipient.
7. Determine whether unallowable costs have been excluded and whether allocation methods and billing mechanisms are appropriate and properly designed.
8. Assess what the appropriate rate base (salaries and wages, modified total direct costs) should be for the resulting indirect cost rate and the extent to which any rate established should be subsequently adjusted.

**Establishing the amount of approved indirect costs in the award budget:** OCTA should review indirect cost proposals and applications to determine which anticipated costs included are necessary, reasonable, and allocable.

If approved, OCTA should send notification to the subrecipient. The CAP and approval notice should be kept within the subrecipient file for audit if necessary.

The Subrecipient must also provide procedures for updating and submitting the plan annually. The CAP should be reviewed by the Review Team, through the Formal Compliance Review (see Appendix E. Financial Management). The CAP is requested as part of the annual desk review, and before the Compliance Review site visit.

**Applying the rate of the direct cost base and calculating claims:** Once the indirect cost rate is recognized as an award, the sub-recipient is permitted to apply that rate to the applicable base of the allowable direct costs incurred. Periodically the sub-recipient is expected to submit a Financial Status Report, which summarizes total expenditures incurred under the award. The sub-recipient may claim indirect costs by multiplying its indirect cost rate by the direct cost elements to which the rate may be applied under the terms of the award. Thus, its total cost recovery for the applicable period is comprised of the allowable direct costs incurred plus the allowable, allocable indirect costs.

### **Procedures for Non-profit organizations**

Due to the diverse characteristics and accounting practices of **non-profit organizations**, it is not possible to specify the types of cost which may be classified as indirect costs in all situations. However, examples of indirect costs for many non-for-profit organizations include depreciation or use allowances on buildings and equipment, the costs of operating and maintaining facilities, and general administration and general expenses, such as the salaries and expenses of executive officers, personnel administration, and accounting.

Procedures for indirect costs related for non-for-profit organizations are the following:

#### ***For the sub-recipient:***

1. Classify the indirect costs within two broad categories:
  - a. Facilities- should include depreciation and use allowances on buildings, equipment and capital improvement, interest on debt associated with certain buildings, equipment and capital improvements, and operations and maintenance expenses.
  - b. Administration- should include general administration and general expenses such as the director's office, accounting, personnel, library expenses and all other types of expenditures not listed specifically under facilities.
2. Determine what type of indirect costs rates apply. There are four possible types of indirect cost rates:



- a. A **provisional rate** is a temporary rate, agreed to in advance, and is based on anticipated future costs. It is subject to retroactive adjustment at a future date after costs are known.
- b. A **final rate** is established after the costs are known. It adjusts the provisional rate but is administratively burdensome. Underpayments resulting from application of the provisional rate are subject to availability of funds; while overpayments must be credited or returned (provisional rate and final rates are two stages of one approach).
- c. A **fixed rate** is also agreed to in advance, based on an estimate of future costs, but it is not retroactively adjusted. Instead, the difference between estimated and actual costs is carried forward to future years.
- d. A **predetermined rate** is agreed to in advance, based on an estimate of future costs, but is not subject to adjustment except under very unique circumstances. It is intended to be permanent and thereby reduce the administrative burden associated with indirect cost recovery. A predetermined rate may not be used for a sub-recipient that does not submit its indirect cost rate proposals to OCTA for negotiation.

2. Determine the indirect cost allocation method:

- a. Simplified allocation method
- b. Multiple allocation base method
- c. Direct allocation method

Direct Allocation Method: some non-profit organizations treat all costs as direct costs except general administration and general expenses. These organizations generally separate their costs into three basic categories: (i) General administration and general expenses, (ii) fundraising, and (iii) other direct functions (including projects performed under Federal awards). Joint costs, such as depreciation, rental costs, operation and maintenance of facilities, telephone expenses, and the like are prorated individually as direct costs to each category and to each award or other activity using a base most appropriate to the particular cost being prorated.

This method is acceptable, provided each joint cost is prorated using a base which accurately measures the benefits provided to each award or other activity. The bases must be established in accordance with reasonable criteria, and be supported by current data. This method is compatible with the Standards of Accounting and Financial Reporting for Voluntary Health and Welfare Organizations issued jointly by the National Health Council, Inc., the National Assembly of Voluntary Health and Social Welfare Organizations, and the United Way of America.

Under this method, indirect costs consist exclusively of general administration and general expenses.

3. Upon determining the rate and allocation method, an indirect cost proposal by the sub-recipient should be drafted, and negotiated thereafter.

***Negotiation and approval rates:*** Rates will be negotiated between both the sub-recipient and OCTA (Finance and Administration, or Internal Audit TBC). All concerned Federal agencies shall be given the

opportunity to participate in the negotiation process but, after a rate has been agreed upon, it will be accepted by all Federal agencies.

***Applying the rate of the direct cost base and calculating claims:*** Once the indirect cost rate is negotiated, the sub-recipient is permitted to apply that rate to the applicable base of the allowable direct costs incurred. The results of each negotiation shall be formalized in a written agreement between OCTA and the non-profit organization. OCTA shall distribute copies of the agreement to all concerned Federal agencies. If a dispute arises in a negotiation of an indirect cost rate between OCTA and the sub-recipient, the dispute shall be resolved in accordance with the appeals procedures of OCTA's agency.

**EXHIBIT B: COST AND PRICE FORMS**

**PRICE SUMMARY SHEET**

**REQUEST FOR PROPOSALS (RFP) 3-2872**

Enter below the proposed price for the tasks described in the Scope of Work, Exhibit A. Prices shall include direct costs, indirect costs, profits and tax. OCTA's intention is to award a firm-fixed price contract.

Effective for twenty-five (25) months through January 31, 2026.

<b>Task</b>	<b>Description</b>	<b>Year 1</b> Effective Date - 12/31/24	<b>Year 2</b> 1/1/25 - 1/31/26
1	Work Plan and Timeline	\$ _____	\$ _____
2	a) Conduct up to four (4) Subrecipient Compliance Reviews b) Conduct up to three (3) Procurement Compliance Reviews c) Submit draft and final reports d) Corrective Action Reports	\$ _____	\$ _____
3	At least two (2) OCTA Staff Training and Handouts	\$ _____	\$ _____
4	Preparatory Review for FTA Triennial	\$ _____	\$ _____
5	On-Going Compliance Assistance	\$ _____	\$ _____
	Firm-Fixed Price Annual Payment	\$ _____	\$ _____

Total Firm-Fixed Price Payment for Twenty-Five (25) Months \$ \_\_\_\_\_

The undersigned, upon acceptance, agrees to provide the service in accordance with the terms, conditions, and requirements as contained in RFP 3-2872 and the supporting documents for all prices proposed.

1. I acknowledge receipt of RFP 3-2872 and Addenda No.(s) \_\_\_\_\_

2. This offer shall remain firm for \_\_\_\_\_ days from the date of proposal  
(Minimum 120)

COMPANY NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

TELEPHONE \_\_\_\_\_

SIGNATURE OF PERSON  
AUTHORIZED TO BIND OFFEROR

---

SIGNATURE'S NAME AND TITLE

---

DATE SIGNED

---

**EXHIBIT C: PROPOSED AGREEMENT**

PROPOSED AGREEMENT NO. C-3-2872

BETWEEN

ORANGE COUNTY TRANSPORTATION AUTHORITY

AND

THIS AGREEMENT is effective this \_\_\_\_ day of \_\_\_\_\_, 2023 ("Effective Date"), by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, California 92863-1584, a public corporation of the State of California (hereinafter referred to as "AUTHORITY"), and , , , , (hereinafter referred to as "CONSULTANT").

**WITNESSETH:**

**WHEREAS**, AUTHORITY requires assistance from CONSULTANT to provide Federal Transit Administration (FTA) compliance review services; and

**WHEREAS**, said work cannot be performed by the regular employees of AUTHORITY; and

**WHEREAS**, CONSULTANT has represented that it has the requisite personnel and experience, and is capable of performing such services; and

**WHEREAS**, CONSULTANT wishes to perform these services;

**NOW, THEREFORE**, it is mutually understood and agreed by AUTHORITY and CONSULTANT as follows:

**ARTICLE 1. COMPLETE AGREEMENT**

A. This Agreement, including all exhibits and documents incorporated herein and made applicable by reference, constitutes the complete and exclusive statement of the terms and conditions of this Agreement between AUTHORITY and CONSULTANT and it supersedes all prior representations, understandings and communications. The invalidity in whole or in part of any term or condition of this Agreement shall not affect the validity of other terms or conditions.

B. AUTHORITY's failure to insist in any one or more instances upon CONSULTANT's performance of any terms or conditions of this Agreement shall not be construed as a waiver or

1 relinquishment of AUTHORITY's right to such performance or to future performance of such terms or  
2 conditions and CONSULTANT's obligation in respect thereto shall continue in full force and effect.  
3 Changes to any portion of this Agreement shall not be binding upon AUTHORITY except when  
4 specifically confirmed in writing by an authorized representative of AUTHORITY by way of a written  
5 amendment to this Agreement and issued in accordance with the provisions of this Agreement.

6 **ARTICLE 2. AUTHORITY DESIGNEE**

7 The Chief Executive Officer of AUTHORITY, or designee, shall have the authority to act for and  
8 exercise any of the rights of AUTHORITY as set forth in this Agreement.

9 **ARTICLE 3. SCOPE OF WORK**

10 A. CONSULTANT shall perform the work necessary to complete in a manner satisfactory to  
11 AUTHORITY the services set forth in Exhibit A, entitled "Scope of Work," attached to and, by this  
12 reference, incorporated in and made a part of this Agreement. All services shall be provided at the times  
13 and places designated by AUTHORITY.

14 B. CONSULTANT shall provide the personnel listed below to perform the above-specified  
15 services, which persons are hereby designated as key personnel under this Agreement.

16 **Names**

**Functions**

17  
18  
19  
20  
21 C. No person named in paragraph B of this Article, or his/her successor approved by  
22 AUTHORITY, shall be removed or replaced by CONSULTANT, nor shall his/her agreed-upon function or  
23 level of commitment hereunder be changed, without the prior written consent of AUTHORITY. Should  
24 the services of any key person become no longer available to CONSULTANT, the resume and  
25 qualifications of the proposed replacement shall be submitted to AUTHORITY for approval as soon as  
26 possible, but in no event later than seven (7) calendar days prior to the departure of the incumbent key



person, unless CONSULTANT is not provided with such notice by the departing employee. AUTHORITY shall respond to CONSULTANT within seven (7) calendar days following receipt of these qualifications concerning acceptance of the candidate for replacement.

#### **ARTICLE 4. TERM OF AGREEMENT**

This Agreement shall commence upon execution by both parties, and shall continue in full force and effect through January 31, 2026, unless earlier terminated or extended as provided in this Agreement.

#### **ARTICLE 5. PAYMENT**

A. For CONSULTANT's full and complete performance of its obligations under this Agreement and subject to the maximum cumulative payment obligation provisions set forth in Article 6, AUTHORITY shall pay CONSULTANT on a firm fixed price basis in accordance with the following provisions.

B. The following schedule shall establish the firm fixed payment to CONSULTANT by AUTHORITY for each work task set forth in the Scope of Work. The schedule shall not include any CONSULTANT expenses not approved by AUTHORITY, including, but not limited to reimbursement for local meals.

		<u>Year 1</u>	<u>Year 2</u>
		Effective Date	1/1/25
		- 12/31/24	- 1/31/26
<u>Tasks</u>	<u>Description</u>		
1	Work Plan and Timeline	\$_____.00	\$_____.00
2	a) Conduct Up to four (4) Subrecipient Compliance Reviews		
	b) Conduct up to three (3) Procurement Compliance Reviews		
	c) Submit draft and final reports	\$_____.00	\$_____.00
3	At least two (2) OCTA Staff Training and Handouts	\$_____.00	\$_____.00
4	Preparatory Review for FTA Triennial	\$_____.00	\$_____.00
5	On-Going Compliance Assistance	\$_____.00	\$_____.00
<b>Firm-Fixed Price Annual Payment</b>		<b>\$_____.00</b>	<b>\$_____.00</b>
Total Firm-Fixed Price Payment for Twenty-Five (25) Months		\$_____.00	

1 C. CONSULTANT shall invoice AUTHORITY on a monthly basis for payments corresponding to  
2 the work actually completed by CONSULTANT. Percentage of work completed shall be documented in  
3 a monthly progress report prepared by CONSULTANT, which shall accompany each invoice submitted  
4 by CONSULTANT. CONSULTANT shall also furnish such other information as may be requested by  
5 AUTHORITY to substantiate the validity of an invoice. At its sole discretion, AUTHORITY may decline to  
6 make full payment for any task listed in paragraph B of this Article until such time as CONSULTANT has  
7 documented to AUTHORITY's satisfaction, that CONSULTANT has fully completed all work required  
8 under the task. AUTHORITY's payment in full for any task completed shall not constitute AUTHORITY's  
9 final acceptance of CONSULTANT's work under such task; final acceptance shall occur only when  
10 AUTHORITY's release of the retention described in paragraph D.

11 D. As partial security against CONSULTANT's failure to satisfactorily fulfill all of its obligations  
12 under this Agreement, AUTHORITY shall retain ten percent (10%) of the amount of each invoice  
13 submitted for payment by CONSULTANT. All retained funds shall be released by AUTHORITY and shall  
14 be paid to CONSULTANT within sixty (60) calendar days of payment of final invoice, unless AUTHORITY  
15 elects to audit CONSULTANT's records in accordance with Article 16 of this Agreement. If AUTHORITY  
16 elects to audit, retained funds shall be paid to CONSULTANT within thirty (30) calendar days of  
17 completion of such audit in an amount reflecting any adjustment required by such audit. During the term  
18 of the Agreement, at its sole discretion, AUTHORITY reserves the right to release all or a portion of the  
19 retained amount based on CONSULTANT's satisfactory completion of certain milestones.  
20 CONSULTANT shall invoice AUTHORITY for the release of the retention in accordance with this Article.

21 E. Invoices shall be submitted by CONSULTANT on a monthly basis and shall be submitted in  
22 duplicate to AUTHORITY's Accounts Payable office. CONSULTANT may also submit invoices  
23 electronically to AUTHORITY's Accounts Payable Department at [vendorinvoices@octa.net](mailto:vendorinvoices@octa.net). Each invoice  
24 shall be accompanied by the monthly progress report specified in paragraph 0 of this Article.  
25 AUTHORITY shall remit payment within thirty (30) calendar days of the receipt and approval of each  
26 invoice. Each invoice shall include the following information:

1. Agreement No. C-3-2872;
2. Specify the task number for which payment is being requested;
3. The time period covered by the invoice;
4. Total monthly invoice (including project-to-date cumulative invoice amount); and retention;
5. Monthly Progress Report;
6. Certification signed by the CONSULTANT or his/her designated alternate that a) The invoice is a true, complete and correct statement of reimbursable costs and progress; b) The backup information included with the invoice is true, complete and correct in all material respects; c) All payments due and owing to subcontractors and suppliers have been made; d) Timely payments will be made to subcontractors and suppliers from the proceeds of the payments covered by the certification and; e) The invoice does not include any amount which CONSULTANT intends to withhold or retain from a subcontractor or supplier unless so identified on the invoice.
7. Any other information as agreed or requested by AUTHORITY to substantiate the validity of an invoice.

#### **ARTICLE 6. MAXIMUM OBLIGATION**

Notwithstanding any provisions of this Agreement to the contrary, AUTHORITY and CONSULTANT mutually agree that AUTHORITY's maximum cumulative payment obligation (including obligation for CONSULTANT's profit) shall be \_\_\_\_\_ Dollars (\$\_\_\_\_\_.00) which shall include all amounts payable to CONSULTANT for its subcontracts, leases, materials and costs arising from, or due to termination of, this Agreement.

#### **ARTICLE 7. NOTICES**

All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be effected by delivery of said notices in person or by depositing said notices in the U.S. mail, registered or certified mail, returned receipt requested, postage prepaid and addressed as follows:

To CONSULTANT:

To AUTHORITY:

Orange County Transportation Authority

550 South Main Street

P.O. Box 14184

Orange, CA 92863-1584

ATTENTION:

ATTENTION: Jackie Le

Title:

Title: Senior Contract Administrator

Phone:

Phone: (714) 560 - 5486

Email:

Email: jle@octa.net

**ARTICLE 8. INDEPENDENT CONTRACTOR**

A. CONSULTANT's relationship to AUTHORITY in the performance of this Agreement is that of an independent contractor. CONSULTANT's personnel performing services under this Agreement shall at all times be under CONSULTANT's exclusive direction and control and shall be employees of CONSULTANT and not employees of AUTHORITY. CONSULTANT shall pay all wages, salaries and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation and similar matters.

B. Should CONSULTANT's personnel or a state or federal agency allege claims against AUTHORITY involving the status of AUTHORITY as employer, joint or otherwise, of said personnel, or allegations involving any other independent contractor misclassification issues, CONSULTANT shall defend and indemnify AUTHORITY in relation to any allegations made.

**ARTICLE 9. INSURANCE**

A. CONSULTANT shall procure and maintain insurance coverage in full force and effect during the entire term of the Agreement. Coverage shall be full coverage and not subject to self-insurance provisions. CONSULTANT shall provide the following insurance coverage:

1. Commercial General Liability, to include Products/Completed Operations,

1 Independent Contractors', Contractual Liability, and Personal Injury Liability, and Property Damage with  
2 a minimum limit of \$1,000,000 per occurrence, \$2,000,000 general aggregate and \$2,000,000  
3 Products/Completed Operations aggregate;

4 2. Automobile Liability Insurance to include owned, hired and non-owned autos with  
5 a combined single limit of \$1,000,000 for each accident;

6 3. Workers' Compensation with limits as required by the State of California including  
7 a Waiver of Subrogation in favor of AUTHORITY, its officers, directors and employees; and

8 4. Employers' Liability with minimum limits of \$1,000,000 per accident, \$1,000,000  
9 policy limit-disease, and \$1,000,000 policy limit employee-disease.

10 B. Proof of such coverage, in the form of a certificate of insurance and an insurance policy  
11 blanket additional insured endorsement, designating AUTHORITY, its officers, directors and employees  
12 as additional insureds on general liability and automobile liability, as required by Agreement. Proof of  
13 insurance coverage must be received by AUTHORITY within ten (10) calendar days from the effective  
14 date of the Agreement and prior to commencement of any work. Such insurance shall be primary and  
15 non-contributive to any insurance or self-insurance maintained by AUTHORITY. Furthermore,  
16 AUTHORITY reserves the right to request certified copies or review all related insurance policies, in  
17 response to a related loss.

18 C. CONSULTANT shall include on the face of the certificate of insurance the Agreement Number  
19 C-3-2872 and, the Senior Contract Administrator's Name, Jackie Le.

20 D. CONSULTANT shall also include in each subcontract, the stipulation that subconsultants shall  
21 maintain insurance coverage in the amounts required of CONSULTANT as provided in the Agreement.  
22 Subconsultants will be required to include AUTHORITY as additional insureds on the Commercial  
23 General Liability, and Auto Liability insurance policies.

24 E. Insurer must provide AUTHORITY with at least thirty (30) days' prior notice of cancellation or  
25 material modification of coverage, and ten (10) days' prior notice for non-payment of premium.

26 /

1           **ARTICLE 10. ORDER OF PRECEDENCE**

2           Conflicting provisions hereof, if any, shall prevail in the following descending order of precedence:

3           (1) the provisions of this Agreement, including all exhibits; (2) the provisions of RFP 3-2872; (3)  
4           CONSULTANT's proposal dated \_\_\_\_\_; (4) all other documents, if any, cited herein or incorporated by  
5           reference.

6           **ARTICLE 11. CHANGES**

7           By written notice or order, AUTHORITY may, from time to time, order work suspension and/or  
8           make changes in the general scope of this Agreement, including, but not limited to, the services furnished  
9           to AUTHORITY by CONSULTANT as described in the Scope of Work. If any such work suspension or  
10          change causes an increase or decrease in the price of this Agreement, or in the time required for its  
11          performance, CONSULTANT shall promptly notify AUTHORITY thereof and assert its claim for  
12          adjustment within ten (10) calendar days after the change or work suspension is ordered, and an  
13          equitable adjustment shall be negotiated. However, nothing in this clause shall excuse CONSULTANT  
14          from proceeding immediately with the Agreement as changed.

15          **ARTICLE 12. DISPUTES**

16          A. Except as otherwise provided in this Agreement, when a dispute arises between  
17          CONSULTANT and AUTHORITY, the project managers shall meet to resolve the issue. If project  
18          managers do not reach a resolution, the dispute will be decided by AUTHORITY's Director of Contracts  
19          Administration and Materials Management (CAMM), who shall reduce the decision to writing and mail or  
20          otherwise furnish a copy thereof to CONSULTANT. The decision of the Director, CAMM, shall be the  
21          final and conclusive administrative decision.

22          B. Pending final decision of a dispute hereunder, CONSULTANT shall proceed diligently with  
23          the performance of this Agreement and in accordance with the decision of AUTHORITY's Director,  
24          CAMM. Nothing in this Agreement, however, shall be construed as making final the decision of any  
25          AUTHORITY official or representative on a question of law, which questions shall be settled in  
26          accordance with the laws of the State of California.

1           **ARTICLE 13. TERMINATION**

2           A. AUTHORITY may terminate this Agreement for its convenience at any time, in whole or part,  
3 by giving CONSULTANT written notice thereof. Upon said notice, AUTHORITY shall pay CONSULTANT  
4 its allowable costs incurred to date of termination and those allowable costs determined by AUTHORITY  
5 to be reasonably necessary to effect such termination. Thereafter, CONSULTANT shall have no further  
6 claims against AUTHORITY under this Agreement.

7           B. In the event either Party defaults in the performance of any of their obligations under this  
8 Agreement or breaches any of the provisions of this Agreement, the non-defaulting Party shall have the  
9 option to terminate this Agreement upon thirty (30) days' prior written notice to the other Party. Upon  
10 receipt of such notice, CONSULTANT shall immediately cease work, unless the notice from AUTHORITY  
11 provides otherwise. Upon receipt of the notice from AUTHORITY, CONSULTANT shall submit an invoice  
12 for work and/or services performed prior to the date of termination. AUTHORITY shall pay  
13 CONSULTANT for work and/or services satisfactorily provided to the date of termination in compliance  
14 with this Agreement. Thereafter, CONSULTANT shall have no further claims against AUTHORITY under  
15 this Agreement. AUTHORITY shall not be liable for any claim of lost profits or damages for such  
16 termination.

17           **ARTICLE 14. INDEMNIFICATION**

18           A. CONSULTANT shall indemnify, defend and hold harmless AUTHORITY, its  
19 officers, directors, employees and agents (indemnities) from and against any and all claims (including  
20 attorneys' fees and reasonable expenses for litigation or settlement) for any loss or  
21 damages, bodily injuries, including death, damage to or loss of use of property caused by the negligent  
22 acts, omissions or willful misconduct by CONSULTANT, its officers, directors, employees, agents,  
23 subconsultants or suppliers in connection with or arising out of the performance of this Agreement.

24           **ARTICLE 15. ASSIGNMENTS AND SUBCONTRACTS**

25           A. Neither this Agreement nor any interest herein nor claim hereunder may be assigned by  
26 CONSULTANT either voluntarily or by operation of law, nor may all or any part of this Agreement be

subcontracted by CONSULTANT, without the prior written consent of AUTHORITY. Consent by AUTHORITY shall not be deemed to relieve CONSULTANT of its obligations to comply fully with all terms and conditions of this Agreement.

B. AUTHORITY hereby consents to CONSULTANT subcontracting portions of the Scope of Work to the parties identified below for the functions described in CONSULTANT's proposal. CONSULTANT shall include in the subcontract agreement the stipulation that CONSULTANT, not AUTHORITY, is solely responsible for payment to the subcontractor for the amounts owing and that the subcontractor shall have no claim, and shall take no action, against AUTHORITY, its officers, directors, employees or sureties for nonpayment by CONSULTANT.

**Subcontractor Name/Addresses**

**Subcontractor Amount**

\$ \_\_\_\_\_ .00

\$ \_\_\_\_\_ .00

**ARTICLE 16. AUDIT AND INSPECTION OF RECORDS**

CONSULTANT shall provide AUTHORITY, or other agents of AUTHORITY, such access to CONSULTANT's accounting books, records, payroll documents and facilities, as AUTHORITY deems necessary. CONSULTANT shall maintain such books, records, data and documents in accordance with generally accepted accounting principles and shall clearly identify and make such items readily accessible to such parties during CONSULTANT's performance hereunder and for a period of four (4) years from the date of final payment by AUTHORITY. AUTHORITY's right to audit books and records directly related to this Agreement shall also extend to all first-tier subcontractors identified in Article 15 of this Agreement. CONSULTANT shall permit any of the foregoing parties to reproduce documents by any means whatsoever or to copy excerpts and transcriptions as reasonably necessary.

**ARTICLE 17. CONFLICT OF INTEREST**

A. CONSULTANT agrees to avoid organizational conflicts of interest. An organizational conflict of interest means that due to other activities, relationships or contracts, the CONSULTANT is unable, or potentially unable to render impartial assistance or advice to AUTHORITY; CONSULTANT's objectivity



1 in performing the work identified in the Scope of Work is or might be otherwise impaired; or  
2 CONSULTANT has an unfair competitive advantage. CONSULTANT is obligated to fully disclose to  
3 AUTHORITY in writing Conflict of Interest issues as soon as they are known to CONSULTANT. All  
4 disclosures must be submitted in writing to AUTHORITY pursuant to the Notice provision herein. This  
5 disclosure requirement is for the entire term of this Agreement.

6 B. If AUTHORITY determines that CONSULTANT, its employees, or subconsultants are subject  
7 to disclosure requirements under the Political Reform Act (Government Code section 81000 et seq.),  
8 CONSULTANT and its required employees and subconsultants shall complete and file Statements of  
9 Economic Interest (Form 700) with AUTHORITY's Clerk of the Board disclosing all required financial  
10 interests.

11 **ARTICLE 18. CODE OF CONDUCT**

12 CONSULTANT agrees to comply with AUTHORITY's Code of Conduct as it relates to Third-  
13 Party contracts which is hereby referenced and by this reference is incorporated herein.  
14 CONSULTANT agrees to include these requirements in all of its subcontracts.

15 **ARTICLE 19. PROHIBITION ON PROVIDING ADVOCACY SERVICES**

16 CONSULTANT and all subconsultants performing work under this Agreement, shall be  
17 prohibited from concurrently representing or lobbying for any other party competing for a contract with  
18 AUTHORITY, either as a prime consultant or subconsultant. Failure to refrain from such  
19 representation may result in termination of this Agreement.

20 **ARTICLE 20. FEDERAL, STATE AND LOCAL LAWS**

21 CONSULTANT warrants that in the performance of this Agreement, it shall comply with all  
22 applicable federal, state and local laws, statutes and ordinances and all lawful orders, rules and  
23 regulations promulgated thereunder.

24 **ARTICLE 21. EQUAL EMPLOYMENT OPPORTUNITY**

25 In connection with its performance under this Agreement, CONSULTANT shall not discriminate  
26 against any employee or applicant for employment because of race, religion, color, sex, age or national

1 origin. CONSULTANT shall take affirmative action to ensure that applicants are employed, and that  
2 employees are treated during their employment, without regard to their race, religion, color, sex, age or  
3 national origin. Such actions shall include, but not be limited to, the following: employment, upgrading,  
4 demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other  
5 forms of compensation; and selection for training, including apprenticeship.

6 **ARTICLE 22. PROHIBITED INTERESTS**

7 CONSULTANT covenants that, for the term of this Agreement, no director, member, officer or  
8 employee of AUTHORITY during his/her tenure in office or for one (1) year thereafter shall have any  
9 interest, direct or indirect, in this Agreement or the proceeds thereof.

10 **ARTICLE 23. OWNERSHIP OF REPORTS AND DOCUMENTS**

11 A. The originals of all letters, documents, reports and other products and data produced under  
12 this Agreement shall be delivered to, and become the property of AUTHORITY. Copies may be made  
13 for CONSULTANT's records but shall not be furnished to others without written authorization from  
14 AUTHORITY. Such deliverables shall be deemed works made for hire and all rights in copyright therein  
15 shall be retained by AUTHORITY.

16 B. All ideas, memoranda, specifications, plans, manufacturing, procedures, drawings,  
17 descriptions, and all other written information submitted to CONSULTANT in connection with the  
18 performance of this Agreement shall not, without prior written approval of AUTHORITY, be used for any  
19 purposes other than the performance under this Agreement, nor be disclosed to an entity not connected  
20 with the performance of the project. CONSULTANT shall comply with AUTHORITY's policies regarding  
21 such material. Nothing furnished to CONSULTANT, which is otherwise known to CONSULTANT or is or  
22 becomes generally known to the related industry shall be deemed confidential. CONSULTANT shall not  
23 use AUTHORITY's name, photographs of the project, or any other publicity pertaining to the project in  
24 any professional publication, magazine, trade paper, newspaper, seminar or other medium without the  
25 express written consent of AUTHORITY.

26 /

1 C. No copies, sketches, computer graphics or graphs, including graphic artwork, are to be  
2 released by CONSULTANT to any other person or agency except after prior written approval by  
3 AUTHORITY, except as necessary for the performance of services under this Agreement. All press  
4 releases, including graphic display information to be published in newspapers, magazines, etc., are to be  
5 handled only by AUTHORITY unless otherwise agreed to by CONSULTANT and AUTHORITY.

6 **ARTICLE 24. PATENT AND COPYRIGHT INFRINGEMENT**

7 A. In lieu of any other warranty by AUTHORITY or CONSULTANT against patent or copyright  
8 infringement, statutory or otherwise, it is agreed that CONSULTANT shall defend at its expense any claim  
9 or suit against AUTHORITY on account of any allegation that any item furnished under this Agreement  
10 or the normal use or sale thereof arising out of the performance of this Agreement, infringes upon any  
11 presently existing U.S. letters patent or copyright and CONSULTANT shall pay all costs and damages  
12 finally awarded in any such suit or claim, provided that CONSULTANT is promptly notified in writing of  
13 the suit or claim and given authority, information and assistance at CONSULTANT's expense for the  
14 defense of same. However, CONSULTANT will not indemnify AUTHORITY if the suit or claim results  
15 from: (1) AUTHORITY's alteration of a deliverable, such that said deliverable in its altered form infringes  
16 upon any presently existing U.S. letters patent or copyright; or (2) the use of a deliverable in combination  
17 with other material not provided by CONSULTANT when such use in combination infringes upon an  
18 existing U.S. letters patent or copyright.

19 B. CONSULTANT shall have sole control of the defense of any such claim or suit and all  
20 negotiations for settlement thereof. CONSULTANT shall not be obligated to indemnify AUTHORITY  
21 under any settlement made without CONSULTANT's consent or in the event AUTHORITY fails to  
22 cooperate fully in the defense of any suit or claim, provided, however, that said defense shall be at  
23 CONSULTANT's expense. If the use or sale of said item is enjoined as a result of such suit or claim,  
24 CONSULTANT, at no expense to AUTHORITY, shall obtain for AUTHORITY the right to use and sell  
25 said item, or shall substitute an equivalent item acceptable to AUTHORITY and extend this patent and  
26 copyright indemnity thereto.

1           **ARTICLE 25. FINISHED AND PRELIMINARY DATA**

2           A. All of CONSULTANT's finished technical data, including but not limited to illustrations,  
3           photographs, tapes, software, software design documents, including without limitation source code,  
4           binary code, all media, technical documentation and user documentation, photoprints and other graphic  
5           information required to be furnished under this Agreement, shall be AUTHORITY's property upon  
6           payment and shall be furnished with unlimited rights and, as such, shall be free from proprietary restriction  
7           except as elsewhere authorized in this Agreement. CONSULTANT further agrees that it shall have no  
8           interest or claim to such finished, AUTHORITY-owned, technical data; furthermore, said data is subject  
9           to the provisions of the Freedom of Information Act, 5 USC 552.

10          B. It is expressly understood that any title to preliminary technical data is not passed to  
11          AUTHORITY but is retained by CONSULTANT. Preliminary data includes roughs, visualizations,  
12          software design documents, layouts and comprehensives prepared by CONSULTANT solely for the  
13          purpose of demonstrating an idea or message for AUTHORITY's acceptance before approval is given  
14          for preparation of finished artwork. Preliminary data title and right thereto shall be made available to  
15          AUTHORITY if CONSULTANT causes AUTHORITY to exercise Article 13, and a price shall be  
16          negotiated for all preliminary data.

17           **ARTICLE 26. HEALTH AND SAFETY REQUIREMENT**

18          CONSULTANT shall comply with all the requirements set forth in Exhibit \_\_, Level 1 Safety  
19          Specifications.

20           **ARTICLE 27. LIMITATION ON GOVERNMENTAL DECISIONS**

21          CONSULTANT shall not make, participate in making, or use its position to influence any  
22          governmental decisions as defined by the Political Reform Act, Government Code section 8100 et seq.,  
23          and the implementing regulations in Title 2 of the California Code of Regulations section 18110 et seq.  
24          CONSULTANT's personnel performing services under this Agreement shall not authorize or direct any  
25          actions, votes, appoint any person, obligate, or commit AUTHORITY to any course of action or enter into  
26          any contractual agreement on behalf of AUTHORITY. In addition, CONSULTANT's personnel shall not

1 provide information, an opinion, or a recommendation for the purpose of affecting a decision without  
2 significant intervening substantive review by AUTHORITY personnel, counsel, and management.

3 **ARTICLE 28. FORCE MAJEURE**

4 Either party shall be excused from performing its obligations under this Agreement during the time  
5 and to the extent that it is prevented from performing by an unforeseeable cause beyond its control,  
6 including but not limited to: any incidence of fire, flood; acts of God; commandeering of material, products,  
7 plants or facilities by the federal, state or local government; national fuel shortage; or a material act or  
8 omission by the other party; when satisfactory evidence of such cause is presented to the other party,  
9 and provided further that such nonperformance is unforeseeable, beyond the control and is not due to  
10 the fault or negligence of the party not performing.

11 **IN WITNESS WHEREOF**, the parties hereto have caused this Agreement No. C-3-2872 to be  
12 executed as of the date of the last signature below.

13 **CONSULTANT**

14 By: \_\_\_\_\_

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

15 By: \_\_\_\_\_

16 Georgia Martinez  
Department Manager, Contracts and Procurement

17 **APPROVED AS TO FORM:**

18  
19 By: \_\_\_\_\_

20 James M. Donich  
General Counsel

**EXHIBIT D: STATUS OF PAST AND PRESENT CONTRACTS FORM**

**STATUS OF PAST AND PRESENT CONTRACTS FORM**

On the form provided below, Offeror/Bidder shall list the status of past and present contracts where the firm has either provided services as a prime vendor or a subcontractor during the past five (5) years in which the contract has been the subject of or may be involved in litigation with the contracting authority. This includes, but is not limited to, claims, settlement agreements, arbitrations, administrative proceedings, and investigations arising out of the contract.

A separate form must be completed for each contract. Offeror/Bidder shall provide an accurate contact name and telephone number for each contract and indicate the term of the contract and the original contract value. Offeror/Bidder shall also provide a brief summary and the current status of the litigation, claims, settlement agreements, arbitrations, administrative proceedings, or investigations. If the contract was terminated, list the reason for termination.

Offeror/Bidder shall have an ongoing obligation to update the Authority with any changes to the identified contracts and any new litigation, claims, settlement agreements, arbitrations, administrative proceedings, or investigations that arise subsequent to the submission of the bid. Each form must be signed by an officer of the Offeror/Bidder confirming that the information provided is true and accurate.

<b>Project city/agency/other:</b>	
<b>Contact Name:</b>	<b>Phone:</b>
<b>Project Award Date:</b>	<b>Original Contract Value:</b>
<b>Term of Contract:</b>	
<b>(1) Litigation, claims, settlements, arbitrations, or investigations associated with contract:</b>	
<b>(2) Summary and Status of contract:</b>	
<b>(3) Summary and Status of action identified in (1):</b>	
<b>(4) Reason for termination, if applicable:</b>	

By signing this Form entitled "Status of Past and Present Contracts," I am affirming that all of the information provided is true and accurate.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**EXHIBIT E: SAFETY SPECIFICATIONS**



## **LEVEL 1 HEALTH, SAFETY AND ENVIRONMENTAL SPECIFICATIONS**

### **PART I – GENERAL**

#### **1.1 GENERAL HEALTH, SAFETY & ENVIRONMENTAL REQUIREMENTS**

- A. The Contractor, its subcontractors, suppliers, and employees have the obligation to comply with all Authority health, safety and environmental compliance department (HSEC) requirements of this safety specification, project site requirements, bus yard safety rules, as well as all federal, state, and local regulations pertaining to scope of work, contracts or agreements with the Authority. Additionally, manufacturer requirements are considered incorporated by reference as applicable to this scope of work.
- B. Observance of repeated unsafe acts or conditions, serious violation of safety standards, non-conformance of Authority health, safety and environmental compliance department (HSEC) requirements, or disregard for the intent of these safety specifications to protect people and property, by Contractor or its subcontractors may be cause for termination of scope or agreements with the Authority, at the sole discretion of the Authority.
- C. The health, safety, and environmental requirements, and references contained within this scope of work shall not be considered all-inclusive as to the hazards that might be encountered. Safe work practices shall be planned and performed, and safe conditions shall be maintained during this work scope.
- D. The Authority Project Manager shall be responsible to ensure a safety orientation is conducted of known potential hazards and emergency procedures for all Contractor personnel, subcontractors, suppliers, vendors, and new employees assigned to the project prior to commencement of the project.
- E. The Contractor shall ensure that all Contractor vehicles, including those of its subcontractors, suppliers, vendors and employees are parked in designated parking areas, and comply with traffic routes, and posted traffic signs in areas other than the employee parking lots.
- F. California Code of Regulations (CCR) Title 8 Standards are minimum requirements; each Contractor is encouraged to exceed minimum requirements. When the Contractor's safety requirements exceed statutory standards, the more stringent requirements shall be applied for the safeguard of public and employees.

#### **1.2 REGULATORY**

- A. Injury/Illness Prevention Program  
The Contractor shall comply with CCR Title 8, Section with California Code of Regulations (CCR) Title 8, Section 3203. The intent and elements of the IIPP shall be implemented and enforced by the Contractor and its sub-tier contractors, suppliers, and vendors. The program shall be provided to the Authority's Project Manager, upon request, within 72 hours.
- B. Substance Abuse Prevention Program

Contractor shall comply with the Policy or Program of the Company's Substance Abuse Prevention Policy that complies with the most recent Drug Free Workplace Act. The program shall be provided to the Authority's Project Manager, upon request, within 72 hours.

**C. Heat Illness Prevention Program**

Contractor shall comply with CCR Title 8, Section, Section 3395, Heat Illness Prevention. The program shall be provided to the Authority's Project Manager, upon request, within 72 hours.

**D. Hazard Communication Program**

Contractor shall comply with CCR Title 8, Section 5194 Hazard Communication Standard. Prior to use on Authority property and/or project work areas Contractor shall provide the Authority Project Manager copies of SDS for all applicable chemical products used, if any. The program shall be provided to the Authority's Project Manager, upon request, within 72 hours.

- a. All chemicals including paint, solvents, detergents and similar substances shall comply with South Coast Air Quality Management District (SCAQMD) rules 103, 1113, and 1171.

**E. Storm Water Pollution Prevention Plan**

The Contractor shall protect property and water resources from fuels and similar products throughout the duration of the contract. Contractor shall comply with Storm Water Pollution Prevention Plan (SWPPP) requirements. The program or plan if required by scope shall be provided to the Authority's Project Manager, upon request, within 72 hours.

**1.3 INCIDENT NOTIFICATION AND INVESTIGATION**

- A. The Authority shall be promptly notified of any of the following types of incidents including but not limited to:
  1. Damage incidents of property (incidents involving third party, contractor or Authority property damage);
  2. Reportable and/or Recordable injuries (as defined by the U. S. Occupational Safety and Health Administration), a minor injury, and near miss incidents;
  3. Incidents impacting the environment, i.e. spills or releases on Authority projects or property.
  4. Outside Agency Inspections; agencies such as Cal/OSHA, DTSC, SCAQMD, State Water Resources Control Board, FTA, CPUC, EPA, USACE and similar agencies.
- B. Notifications shall be made to Authority representatives, employees and/or agents. This includes incidents occurring to contractors, vendors, visitors, or members of the public that arise from the performance of Authority contract work. An immediate verbal notice followed by an initial written incident investigation report shall be submitted to the Authority's Project Manager within 24 hours of the incident.

- C. A final written incident investigative report shall be submitted within seven (7) calendar days and include the following information. The Current Status of anyone injured, photos of the incident area, detailed description of what happened, Photos of the existing conditions and area of the injury/incident, the contributing factors that lead to the incident occurrence, a copy of the company policy or procedure associated with the incident and evaluation of effectiveness, copy of task planning documentation, copy of the Physician's first report of injury, copy of Cal/OSHA 300 log of work related injuries and illnesses, the Cal/OSHA 301 Injury Illness Incident Report, and corrective actions initiated to prevent recurrence. This information shall be considered the minimum elements required for a comprehensive incident report provided to OCTA.
- D. A Serious Injury, Serious Incident, OSHA Recordable Injury/Illness, or a Significant Near Miss shall require a formal incident review at the discretion of the Authority's Project Manager. The incident review shall be conducted within seven (7) calendar days of the incident. This review shall require a company senior executive, company program or project manager from the Contractors' organization to participate and present the incident review as determined by the OCTA Project Manager. The serious incident presentation shall include action taken for the welfare of the injured, a status report of the injured, causation factors that lead to the incident, a root cause analysis (using 5 whys and fishbone methods), and a detailed recovery plan that identifies corrective actions to prevent a similar incident, and actions to enhance safety awareness.
1. Serious Injury: includes an injury or illness to one or more employees, occurring in a place of employment or in connection with any employment, which requires inpatient hospitalization for a period in excess of twenty-four hours for other than medical observation, or in which an employee suffers the loss of any member of the body, or suffers any serious degree of physical disfigurement. A serious injury also includes a lost workday or reassignment or restricted injury case as determined by the Physician's first report of injury or Cal/OSHA definitions.
  2. Serious Incident: includes but not limited to property damage of \$500.00 or more, an incident requiring emergency services (local fire, paramedics and ambulance response), news media or OCTA media relations response, and/or incidents involving other agencies (Cal/OSHA, EPA, AQMD, DTSC, Metrolink, FTA, FRA etc.) notification or representation.
  3. OSHA Recordable Injury / Illness: includes and injury / illness resulting in medical treatment beyond First Aid, an injury / illness which requires restricted duty, or an injury / illness resulting in days away from work.
  4. Significant Near Miss Incident: includes incidents where no property was damaged and no personal injury sustained, but where, given a slight shift in time or position, damage and/or injury easily could have occurred.

#### 1.4 DESIGNATED HEALTH AND SAFETY REPRESENTATIVE

- A. Upon contract award, the contractor within 10 business days shall designate a health and safety representative and provide a resume and qualifications to the Authority project manager, upon request, within 72 hours.

- B. This person shall be a competent or qualified individual as defined by the Occupational, Safety, and Health Administration (OSHA), familiar with applicable CCR Title 8 Standards (Cal/OSHA) and has the authority to affect changes in work procedures that may have associated cost, schedule and budget impacts.

#### **1.5 PERSONAL PROTECTIVE EQUIPMENT**

- A. The Contractor, its subcontractors, suppliers, and employees are required to comply with applicable personal protective equipment (PPE) requirements while performing work at any Authority project or property. Generally minimum PPE requirements include eye protection; hearing protection, head protection, class 2 or 3 safety reflective vests, and appropriate footwear.
- B. The Contractor, its subcontractors, suppliers, and employees are required to provide their own PPE, including eye, head, foot, and hand protection, safety vests, or other PPE required to perform their work safely on Authority projects or property. The Authority requires eye protection on construction projects and work areas that meet ANSI Z-87.1 Standards.

#### **1.6 REFERENCES**

- A. CCR Title 8 Standards (Cal/OSHA)
- B. FCR Including 1910 and 1926 Standards
- C. NFPA, NEC, ANSI, NIOSH Standards
- D. Construction Industry Institute (CII)
- E. OCTA Yard Safety Rules

**END OF SECTION**

**EXHIBIT F: PROPOSAL EXCEPTIONS AND/OR DEVIATIONS**

**PROPOSAL EXCEPTIONS AND/OR DEVIATIONS**

The following form shall be completed for each technical and/or contractual exception or deviation that is submitted by Offeror for review and consideration by Authority. The exception and/or deviation must be clearly stated along with the rationale for requesting the exception and/or deviation. If no technical or contractual exceptions or deviations are submitted as part of the original proposal, Offerors are deemed to have accepted Authority's technical requirements and contractual terms and conditions set forth in the Scope of Work (Exhibit A) and Proposed Agreement (Exhibit C). Offerors will not be allowed to submit this form or any contractual exceptions and/or deviation after the proposal submittal date identified in the RFP. Exceptions and/or deviations submitted after the proposal submittal date will not be reviewed by Authority.

Offeror: \_\_\_\_\_

RFP No.: \_\_\_\_\_ RFP Title: \_\_\_\_\_

Deviation or Exception No. : \_\_\_\_\_

*Check one:*

- Scope of Work (Technical) \_\_\_\_\_
- Proposed Agreement (Contractual) \_\_\_\_\_

Reference Section/Exhibit: \_\_\_\_\_ Page/Article No. \_\_\_\_\_

Complete Description of Deviation or Exception:

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Rationale for Requesting Deviation or Exception:

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Area Below Reserved for Authority Use Only:
