

CTAA Expo

Insiders Look at FTA Oversight Reviews

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What is Program Oversight?

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

We do this through Comprehensive Reviews (Triennial & State Management) which:

- Occur every three years
- Forward-looking instead of reactive
- Assess management practices and program implementation

Specialized Reviews (Financial, Procurement, & Civil Rights):

- Occur at FTA's discretion
- Focus on specific areas of Federal compliance



FTA Oversight in Context

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



Comprehensive Reviews

Number/Type of Comprehensive Reviews – FY18-22

Comprehensive	FY18	FY19	FY20	FY21	FY22	Total
Triennial Review	223	196	3	209	214	845
State Management Review	15	10	0	15	13	53
Combined TR/SMR	3	5	0	7	3	18
Total	241	211	3	231	230	916

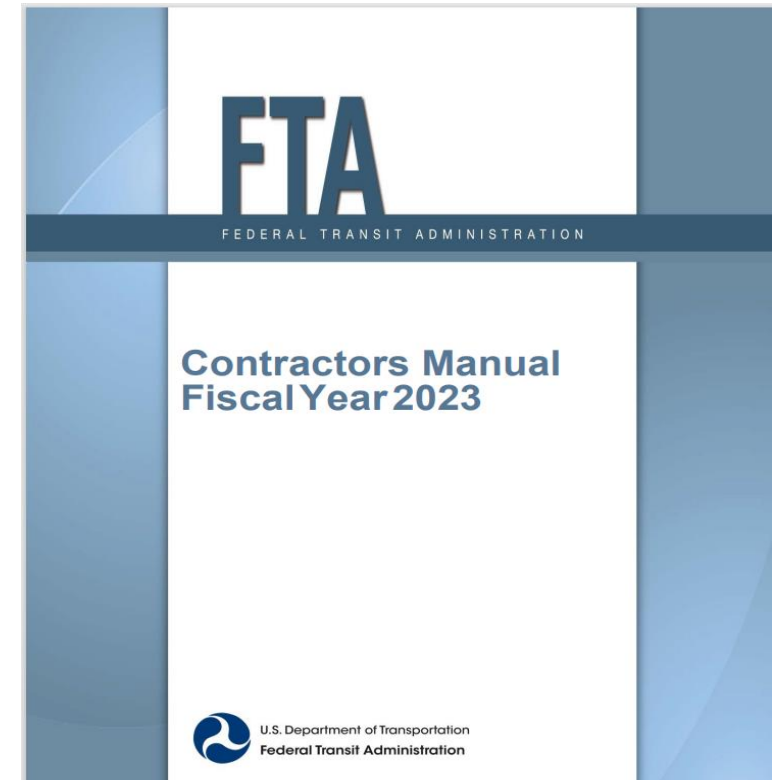
Program Oversight: FY23 Activities

Oversight Activity	FY23
Triennial Review	202
State Management Review	12
Combined TR/SMR	5
COVID-19 Financial Reviews	49
Financial Management Review	17
Procurement System Review	–
Technical Assistance (FMO, PSR, and CORTAP)	42
Total	327

FTA's Comprehensive Review Guide

Each overarching question has six basic parts

1. **Basic Requirement:** high-level, clear statement of what a recipient is required to do
2. **Applicability:** Recipients to whom the requirement applies
3. **Explanation: Detailed** description of the basic requirement
4. **Indicators of Compliance:** How reviewers will assess compliance with the basic requirement
5. **Instruction to Reviewer for Determination:** Based on result of indicators
6. **Governing Directives:** Citation from law, regulation, agreement, or other guidance forming the basis of a potential finding



[Comprehensive Review Guide](#)

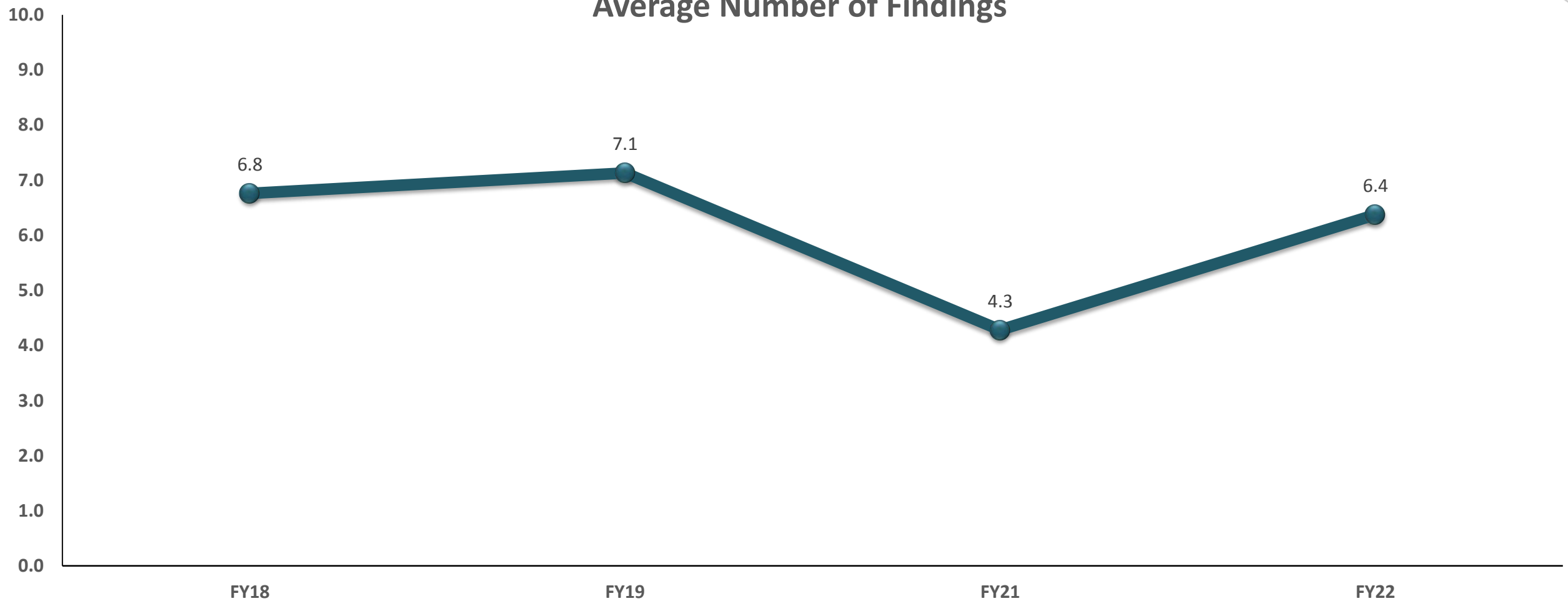
Comprehensive Review Areas

- 23 Review areas
- Review areas include:
 - Legal
 - Financial Management and Capacity
 - Technical Capacity - Award Management
 - Technical Capacity - Program Management and Subrecipient Oversight - 7
 - Technical Capacity – Project Management
 - Transit Asset Management
 - Satisfactory Continuing Control
 - Maintenance
 - Procurement
 - Disadvantaged Business Enterprise
 - ADA – General
 - ADA – Complementary Paratransit
 - Equal Employment Opportunity
 - School Bus
 - Charter Bus
 - Drug-Free Workplace Act
 - Drug and Alcohol Program
 - Section 5307 Program Requirements
 - Section 5310 Program Requirements
 - Section 5311 Program Requirements
 - Public Transportation Agency Safety Plan
 - Cybersecurity



Comprehensive Review: FY18 – FY22 Average Findings

Average Number of Findings



FY22 Comprehensive Reviews: Top 11 Findings

Review Area	Finding	FY22	FY21	FY19	FY18
Procurement	P11-1 - Missing FTA clauses	91	52	37	58
Disadvantaged Business Enterprise	DBE5-1 - DBE uniform reports contain inaccuracies and/or are missing required information	40	21	47	30
Procurement	P10-2 - Lacking required cost/price analysis	34	26	28	36
Procurement	P10-1 - Lacking independent cost estimate	33	21	31	
Procurement	P4-1 - Responsibility determination deficiencies	31	29		25
Procurement	P5-1 - Incomplete written documentation of procurement history	30	26		
Disadvantaged Business Enterprise	DBE6-1 - DBE goal achievement analysis and corrective action plan not completed	29	17	26	
Procurement	P12-2 - Lobbying certifications not included in procurement solicitations or signed by bidders	27			
Title VI	TVI2-1 - Language Assistance Plan implementation deficiencies	25		29	37
Technical Capacity – Award Management	TC-AM5-1 - Inactive award/untimely closeouts	23			
Financial Management and Capacity	F4-1 - ECHO documentation deficient	23	22		

FY22 Comprehensive Reviews: Top 4 Findings

Review Area	Finding	FY22	FY21	FY19	FY18
Procurement	P11-1 - Missing FTA clauses	6.2%	5.1%	2.5%	3.6%
Disadvantaged Business Enterprise	DBE5-1 - DBE uniform reports contain inaccuracies and/or are missing required information	2.7%	2.1%	3.1%	1.8%
Procurement	P10-2 - Lacking required cost/price analysis	2.3%	2.6%	1.9%	2.2%
Procurement	P10-1 - Lacking independent cost estimate	2.3%	2.1%	2.1%	1.4%

New Procurement Oversight Approach:

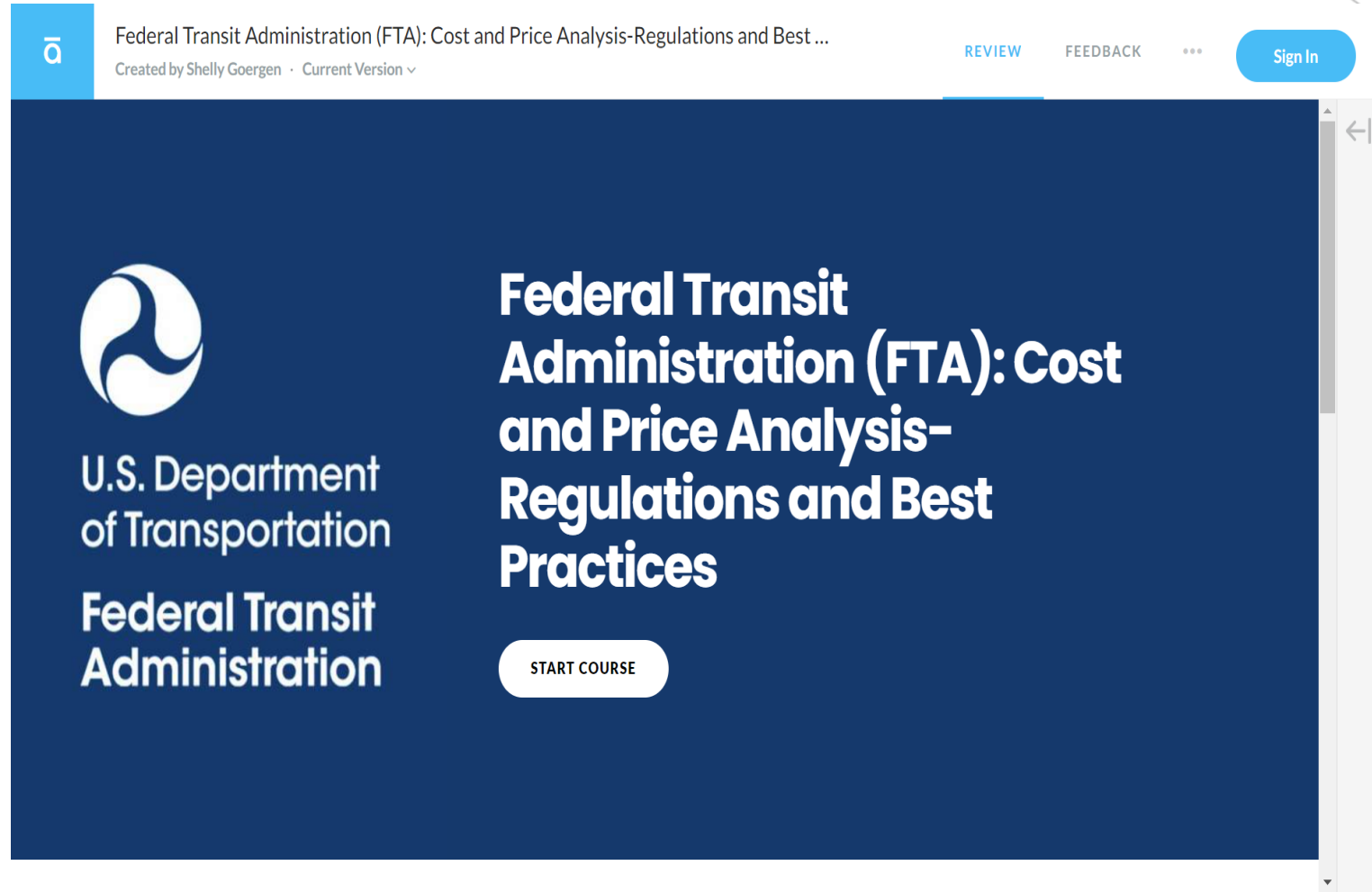
FTA has decided to take a proactive approach to procurement oversight that focuses on both technical assistance and supplemental oversight.

Educating recipients, especially those recipients who have experienced significant turnover (the top for non-compliance), is now a top focus to achieve recipient compliance. For example, FTA is developing new forms of training, tool kits and resource materials for recipients and FTA staff.

New Procurement Oversight Approach: FTA PSR Modules

New PSR Modules

- FTA is developing a series of interactive training modules for FTA recipients and employees to enhance their understanding of FTA procurement requirements.
- The PSR Modules will focus on the top procurement findings identified during the Triennial and State Management reviews. The first module focuses on independent cost estimate and required cost/price analysis.



The screenshot shows a course landing page with a dark blue background. At the top, there is a header with the course title 'Federal Transit Administration (FTA): Cost and Price Analysis-Regulations and Best ...', the creator 'Created by Shelly Goergen · Current Version', and navigation links for 'REVIEW', 'FEEDBACK', and a 'Sign In' button. The main content area features the U.S. Department of Transportation logo on the left, followed by the text 'U.S. Department of Transportation' and 'Federal Transit Administration'. To the right, the course title is displayed in large white text, and a 'START COURSE' button is positioned below it.

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FTA PSR Modules (Continued)

Each Module Includes:
Clearly Defined
Learning Objectives

Federal Transit Administration (FTA): Cost and Price Analysis-Regulations and Best ...
Created by Shelly Goergen · Current Version ▾

REVIEW FEEDBACK ... Sign In

▼ COURSE CONTENT:

- Introduction ✓
- Can You Guess? ○
- The "Who" and the "Why" ○
- What Are the Differences Between a Cost Analysis and a Price Analysis? ○
- What Guides Us? ○
- Knowledge Check ○
- Independent Cost Estimates (ICE) ○
- Price Analysis: The Details ○
- Cost Analysis: The Details ○

Welcome to the *Cost and Price Analysis-Regulations and Best Practices* eLearning! This course will help you to learn about the basics and best practices of cost analysis and price analysis.

Learning Objectives:

After completing this course, you should be able to:

- Define price analysis.
- Define cost analysis.
- Discuss key regulations and guidance pertaining to cost and price analysis.
- Describe the importance of conducting an independent cost estimate.
- Outline the process of completing an independent cost estimate.



FTA PSR Modules (Continued)

Knowledge Checks throughout the training to ensure content is retained and understood. Including a “pre-test” at the beginning.

The screenshot displays the Federal Transit Administration (FTA) training interface. The top navigation bar includes the FTA logo, the course title "Federal Transit Administration (FTA): Cost and Price Analysis-Regulations and Best Practices", the creator "Created by Shelly Goergen", the current version, and buttons for "REVIEW", "FEEDBACK", and "Sign In".

The main content area is titled "Page 1 - Introduction" and "Page 2 of 15". The central heading is "Can You Guess?". Below the heading is a decorative image of blue puzzle pieces on a light wood surface.

The left sidebar shows the "COURSE CONTENT:" menu with the following items:

- Introduction (checked)
- Can You Guess? (selected)
- The "Who" and the "Why"
- What Are the Differences Between a Cost Analysis and a Price Analysis?
- What Guides Us?
- Knowledge Check (marked with a question mark icon)
- Independent Cost Estimates (ICE)
- Price Analysis: The Details

The knowledge check question is:

1) The comparative process of evaluating total price without regard to the individual elements that make up the total price is called _____.

The options are:

- a) A Cost Analysis
- b) A Price Analysis
- c) An Independent Cost Estimate

A "SUBMIT" button is located at the bottom of the question area.

The footer contains the copyright notice "© 2023 Articulate Global, LLC" and links for "Terms", "Privacy", "Support", and "Cookie Preferences".

FTA PSR Modules (Continued)

And periodic quizzes after each topic.

The screenshot displays a course interface for the Federal Transit Administration (FTA). The course title is "Federal Transit Administration (FTA): Cost and Price Analysis-Regulations and Best ...", created by Shelly Goergen. The interface includes a navigation menu on the left with the following items: Introduction (checked), Can You Guess?, The "Who" and the "Why", What Are the Differences Between a Cost Analysis and a Price Analysis?, What Guides Us?, Knowledge Check (highlighted with a question mark icon), Independent Cost Estimates (ICE), Price Analysis: The Details, and Cost Analysis: The Details. The main content area shows "Page 6 of 15" and a large heading "Knowledge Check" with a "START QUIZ >" button. The footer contains copyright information: © 2023 Articulate Global, LLC, and links for Terms, Privacy, Support, and Cookie Preferences.

FTA PSR Modules (Continued)

Detailed steps to conduct procurement analysis.

Federal Transit Administration (FTA): Cost and Price Analysis-Regulations and Best ...
Created by Shelly Goergen · Current Version

REVIEW FEEDBACK ... Sign In

▼ COURSE CONTENT:

- Introduction ✓
- Can You Guess? ○
- The "Who" and the "Why" ○
- What Are the Differences Between a Cost Analysis and a Price Analysis? ○
- What Guides Us? ○
- Knowledge Check ○
- Independent Cost Estimates (ICE) ✓
- Price Analysis: The Details ○
- Cost Analysis: The Details ✓

Steps of a Cost Analysis

- 1 Initial Review +
- 2 Develop Questions
- 3 Discuss Questions w
- 4 Develop Cost Analysis +

1) Initial Review:

- For more complex projects, a technical evaluation may be necessary. Technical evaluations allow you to evaluate the functions that impact costs. Technically trained and experienced personnel are in the best position to assist you in the analysis of hours, quantities, tooling, testing, head counts, productivity, and similar factors.

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FTA PSR Modules (Continued)

And provides links to resources and best practices. The first modules will be available before the end of the FY 23.

The screenshot displays the user interface for a course titled "Federal Transit Administration (FTA): Cost and Price Analysis-Regulations and Best ...". The page is titled "Resources" and features a sidebar with a "COURSE CONTENT:" menu. The menu items include: Introduction (checked), Can You Guess? (in progress), The "Who" and the "Why" (not started), What Are the Differences Between a Cost Analysis and a Price Analysis? (not started), What Guides Us? (not started), Knowledge Check (not started), Independent Cost Estimates (ICE) (checked), Price Analysis: The Details (not started), and Cost Analysis: The Details (checked). The main content area shows a "Downloads:" section with a PDF file named "Independent Cost Estimate Format.pdf" (28.4 KB) and a "Links:" section with a link to "FTA Pricing Guide for Grantees". The footer contains copyright information for Articulate Global, LLC and links for Terms, Privacy, Support, and Cookie Preferences.

Overall Tips For Compliance

Review previous State Management Review report



- Document corrective action implementation
- Avoid repeat deficiencies

Conduct a self-assessment in non-review years



- FTA updates the Contractors Manual annually

Understand how information provided for one section of the review provides input for others, such as:



- Procurement lists for DBE
- Inventory lists for Maintenance

FTA's email subscription



- Sign up for [GovDelivery](#)



FTA Mission, Vision, Values

MISSION

Improve America's Communities through Public Transportation



VISION

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



VALUES



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



**Moving Public Transportation
Into the Future**

CTAA Expo Insiders Look at FTA Oversight Reviews

ROBBIE SARLES, PRESIDENT

RLS & ASSOCIATES, INC.

MAY 2023

Embrace As Opportunity To Improve

Compliance Is Ongoing (24/7/365)

- Not a response to a TR/SMR

◆ Understand Purpose/Intent of Regulation

- Why was the regulation necessary?
- What is its intent?



How Can a Compliance Review Benefit You?

Free Technical Assistance

- One-on-one interaction with reviewers
- Suggestions for corrective actions
- ◆ Validation of Current Policies/Procedures
- ◆ Obtain Clarification About Confusing Requirements
 - Opportunity to ask questions
- ◆ Direct Interaction with FTA Regional Office and Civil Rights Staff



Keys to Success

Work With Reviewer To Identify Meaningful Corrective Actions

- Reasonable
 - Implementable
 - Sustainable
- ◆ Speak to Intent of Regulation – Not Just Checking a Box



Keys to Success (Cont'd)

Institutionalize Corrective Actions

- Further agency compliance
- Follow through on corrective action
- Demonstrate compliance
- Avoid repeat findings

◆ Communicate, Cross-Train, Create SOP



Corrective Action Examples – Top Four Findings

Finding #1 – The Recipient Is Deficient if Did Not Include All Applicable Required Clauses in FTA-Funded Procurements Reviewed

DEFICIENCY CODE P11-1: Missing FTA clauses

SUGGESTED CORRECTIVE ACTION: The recipient must submit to the FTA regional office revised procurement procedures that address inclusion of all FTA-required third party contract clauses through use of a clause checklist or other mechanism. For the next procurement, submit to the FTA regional office documentation that the required process was implemented.



Corrective Action Examples – Top Four Findings (Cont'd)

Finding #2 – The Recipient Is Deficient if Its Reports Do Not Include Applicable FTA-Funded Contracting Activity Undertaken by Itself and Any Subrecipients

- AND it cannot demonstrate how these reports reconcile to procurement records for the procurements selected for this section

DEFICIENCY CODE DBE5-1: DBE uniform reports contain inaccuracies and/or are missing required information

SUGGESTED CORRECTIVE ACTION: The recipient must submit corrected reports to the FTA RCRO, along with implemented procedures for correctly completing Uniform Reports of DBE Awards or Commitments and Payments. The recipient must submit a revised DBE Program to correctly describe how it will implement accurate reporting.



Corrective Action Examples – Top Four Findings (Cont'd)

◆ Finding # 3– The Recipient Is Deficient if It Has Not Conducted Independent Cost Estimates for Any Procurement Reviewed Above the Federal Simplified Acquisition Threshold

DEFICIENCY CODE P10-1: Lacking independent cost estimate

SUGGESTED CORRECTIVE ACTION: The recipient must submit to the FTA regional office documentation that it has updated its procurement procedures to include development of independent cost estimates prior to receipt of bids or proposals. For the next procurement, submit to the FTA regional office documentation that the required process was implemented.



Corrective Action Examples – Top Four Findings (Cont'd)

Finding # 4– The Recipient Is Deficient if It Did Not Conduct a Cost Analysis or Price Analysis, As Applicable, for Any Procurement Reviewed Above the Federal Simplified Acquisition Threshold

DEFICIENCY CODE P10-2: Lacking required cost or price analysis

SUGGESTED CORRECTIVE ACTION: The recipient must submit to the FTA regional office documentation that it has updated its procurement procedures to include performing applicable cost or price analysis for procurements above the Federal Simplified Acquisition Threshold. For the next applicable procurement, submit to FTA regional office documentation that the required analysis was implemented.



Keys to Success (Cont'd)

Stay Informed – List Serves

- Regulatory changes
- New regulations

- ◆ Due Diligence To Understand Regulation and What It Means to Your Agency
- ◆ Ongoing Communication With Regions, Civil Rights Officers, Subject Matter Experts



Keys to Success (Cont'd)

Invest in Staff Knowledge

◆ Take Advantage of Resources

- Workshops
- Webinar
- Contractor's Manual
- Conferences
- Newsletters, tool kits, best practices
- Circulars/guidance
- Regulatory summaries
- Regulations



Keys to Success (Cont'd)

Commitment to Compliance

- ◆ Focus on How To Comply, Not How To Avoid
- ◆ Self-Evaluate Periodically
- ◆ Prioritize Within Agency
- ◆ Avoid Shortcuts (i.e., Boilerplate)



Keys to Success (Cont'd)

Don't Be Intimidated

◆ Get Help if Needed

- Peers
- Industry SMEs
- National, regional, statewide associations
- State DOTs
- FTA



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