



5307 Triennial Review 2022
Hillsborough Area Regional Transit
Authority (HART)

Triennial Report

DRAFT

Review Date:
December 12, 2022

Report Date:
January 26, 2023



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Section A: Triennial Review Introduction

Purpose

The purpose of the Triennial Review Process is to review the compliance practices of Florida Department of Transportation (FDOT) District 7 Office of Modal Development recipients and sub-recipients that receive State public transportation funding under the Service Development, Transit Corridor, and/or Park-and-Ride Lot program(s) and/or federal funding under the FTA 49 U.S.C. §5305(d), §5310, and §5311 grant programs. Recipients of §5307 funds that receive 5310 under the State Block Grant, Service Development, Transit Corridor, and/or Park-and-Ride Lot program(s) are also subject to Triennial Oversight Review. Triennial Reviews must be conducted in a manner compliant with the Triennial Review Process described in this document and each subsequent process listed in the State Management Plan (SMP), which provides a step-by-step overview of the Triennial Review Process, including a list of documents to be reviewed.

The State has adopted a risk-based approach for conducting on-site periodic compliance reviews of its State- and federally-funded recipients/grantees. Under this approach, FDOT District staff conduct Triennial Reviews of each grant recipient in accordance with §5307, §5305(d), §5310, and §5311 programs once every three years (100% sample coverage). FDOT also conducts compliance reviews for 5307 public transit systems (as noted above) subject to the requirements of Florida Statutes (F.S.), Title XXVI Public Transportation, Chapter 341, Public Transit and Florida Administrative Code (F.A.C.) Rule 14-90 once every three years.

FDOT District staff use the Triennial Review Process to provide technical assistance to recipients. Examples of technical assistance that can be provided during the process include the following:

- Provision of relevant regulatory citations and guidance documents
- Assistance in remedying Triennial Review findings
- Training by FDOT Subject Matter Experts
- Recommendations for development of Corrective Action Plans (CAPs)
- Provision of templates that meet statutory requirements

Authority

Triennial Reviews were mandated by the US Congress in 1982 for recipients of federal funds as codified in 49 U.S.C. §5307(h)(2), which states:

At least once every 3 years, the Secretary must review and evaluate completely the performance of a recipient in carrying out the recipient's program, specifically referring to compliance with statutory and administrative requirements and the extent to which actual program activities are consistent with the activities proposed....

As a designated recipient of Federal funds, FDOT is subject to Triennial State Management Reviews, which assess FDOT's stewardship of funds passed to sub-recipient agencies. To certify the compliance of its sub-recipients, FDOT, in turn, conducts Triennial Reviews of each sub-recipient.

For 5307, FDOT is authorized by Chapter 341.061 to establish and monitor equipment and safety standards for transit systems in Florida, as outlined in the State Management Plan (SMP).

Review Team

The Review Team consists of the following:

- FDOT District Office Project Managers
- Review Facilitator (FDOT District Office Project Manager or designee)
- Subject Matter Experts (SMEs) for each area of Triennial Review

Triennial Review Process and Schedule

The Triennial Review process consists of 11 primary components:

1. Technical Assistance
2. Notification
3. Document Preparation and Submission
4. Desk Review
5. Site Visit
6. Triennial Review Report
7. Finding Categories
8. Corrective Action Plan
9. District Approval of Corrective Action Plan
10. Verification of Corrective Action Plan
11. Review and Close-Out

Technical Assistance

As noted, FDOT's approach to the Triennial Review process is not merely compliance status determination; the District focuses on both compliance and technical assistance during the Triennial Review. Technical assistance can be provided at any point during the Triennial Review, including before official notification of the Site Visit.

Notification

The District 7 Review Team must notify the recipient in writing of the Triennial Review schedule at least 45 days prior to the Site Visit. An email will be sent to agency leadership, and notification will include a detailed list of documents to be prepared and submitted to the District via TransCIP, the File Transfer Application. The notification will also include instructions on the uploading process.

Document Preparation and Submission

The recipient must prepare the documents requested in the notification and upload them via TransCIP within 30 days of the District's Triennial Review notification. It is important to keep in mind that the naming of certain documents may differ from that listed in the appendix, but the recipient must provide documentation that covers the material noted in the appendix.

Desk Review

Following the District's receipt of documents from the recipient, a Desk Review is conducted, which is a review of the documents provided by the recipient to the Review Team in advance of the Site Visit. During the Desk Review, the Review Team conducts the following activities that ensure efficiency during the Site Visit:

- Familiarize themselves with recipient's written operational practices.
- Begin to assess recipient's compliance with requirements.
- Develop checklist for review during the Site Visit.

Site Visit

The Review Team conducts the Site Visit on the date provided in the original notification email. The intent of the Site Visit is to clarify any questions generated by the Desk Review, confirm the existence of equipment, review materials not provided during the Desk Review (e.g., completed driver medical certifications), and request additional and/or follow-up materials based on the Desk Review. The Site Visit concludes with an Exit Interview with the Review Team and District staff. During the Exit Interview, the Review Team discusses preliminary findings that the agency may address prior to the Report phase. The agenda for the Site Visit is provided in **Attachment 1**.

Due to the COVID-19 pandemic that began in March 2020, a virtual site visit was conducted to limit the amount of staff on site. The virtual visit was conducted via Microsoft Teams. This the review to be conducted via live video, including the financial policy review and the Exit Interview. As part of the virtual review process, the Review Team completed more of the review remotely as part of the Desk Review.

Triennial Review Report

Following the Site Visit, the Review Team has 45 days to issue a Draft Report to the recipient outlining the areas reviewed and compliance deficiencies. Under certain circumstances, the report may be delayed; if delayed, the District will advise the agency under review when the Draft Report can be expected.

The Triennial Review Report is organized by subject matter, consistent with the organization of the documents listed in the appendices of the *Triennial Review Guide*. The Triennial Review Report include the following:

1. Name and address of recipient, dates review was conducted, and name of each reviewer.
2. Specific items reviewed and description of any findings (i.e., deficiencies, unsafe conditions, or areas of concern). For ease of review, all compliance findings are summarized in tabular form

at the end of the report.

3. If there are deficiencies or areas of concern, notification that the recipient will be required to develop and submit a Corrective Action Plan (CAP) and implementation schedule for each deficiency and/or area of concern within 30 calendar days from issuance of the report.
4. A requirement that the recipient verify, in writing, completion of required corrective action(s).
5. A description of any District planned follow-up activities.

Finding Categories

All findings identified in the report will fall into one of the following three categories:

- **Observation** – An offered suggestion, view, or comment regarding compliance performance. An observation may address or refer to information obtained during the review. Reviewers are encouraged to provide appropriate observations and recommendations on best practices even when no deficiency or area of concern exists.
- **Area of Concern** – Weakness in the adoption or implementation of procedures and/or weakness with regard to conformance with State and federal guidelines. Recommendations will be provided to address areas of concern. The agency is required to develop and submit a CAP and implementation schedule for each area of concern for approval by the District.
- **Deficiency** – Area(s) found to be deficient or inadequate in complying with State and federal guidelines. Requirements to address deficiency will be indicated. The agency is required to develop and submit a CAP and implementation schedule for approval for each deficiency arising from a compliance review. The District will provide the CAP and implementation schedule for all deficiencies arising from a non-compliance review.

Corrective Action Plan (CAP)

Recipients have 30 days to review the report and prepare a CAP. During this review period, the recipient may present additional information regarding compliance activities in the event the recipient disagrees with a review finding. Any such rebuttals will be mutually reviewed by District staff and the Review Team so a final determination regarding compliance can be made.

The CAP should list every deficiency identified in the report regardless of whether it has been addressed and should include an implementation plan to address each deficiency or area of concern that has not already been addressed. The District encourages recipients to use the review period, to the extent possible, to prepare remedies for identified compliance deficiencies. The recipient should identify any findings that have been remedied and the remedy undertaken in the CAP.

Under Rule 14-90.012, F.A.C., if the District determines that a deficiency or unsafe condition exists, to the extent that the continued operation of the system, or a portion thereof, poses an immediate danger or threat to public safety, the Review Team will immediately notify the recipient of the unsafe condition, followed by a certified letter describing the deficiency or unsafe condition. The notification will include:

- Identification of the required corrective action for the deficiency or unsafe condition.

- Requirement for the recipient to certify, in writing, to the District the completion of the required corrective action in accordance with an established implementation schedule.
- Requirement that following the Corrective Action, the Review Team will conduct a follow-up Site Visit to verify the correction of the deficiency under the established implementation schedule.
- Requirement to suspend affected passenger service operations if the recipient fails to correct the deficiency in accordance with this rule and the established implementation schedule.

District Approval of Corrective Action Plan

Within 15 calendar days of receipt of the CAP, the District will notify the recipient of its approval or rejection of each corrective action and implementation schedule. In the event the District rejects a CAP, the District must state its reasons in writing and recommend revisions. The notification will include a requirement that the recipient submit a revised CAP to the District within 15 days.

Verification of Corrective Action Plan

The Review Team is responsible for monitoring subsequent corrective actions. The Review Team may need to visit the agency to confirm compliance. Any recipient that fails to follow the CAP will be reported to the FDOT Central Office for non-compliance.

Review and Close-Out

Once all CAP items have been addressed, FDOT will issue a close-out letter signed by District 7 Office of Modal Development staff on FDOT letterhead. The letter will contain a compliance statement and a matrix of CAP items with close-out dates.

Section B: Report Overview

Agency Introduction

The Hillsborough Area Regional Transit Authority (HART) provides public transportation for Hillsborough County, Florida. The agency provides fixed-route local and express bus service, door-to-door paratransit service (HARTplus), and manages the TECO Line Streetcar System. HART is a sub-recipient of Section 5310 funds passed through the District 7 Office of Modal Development of the Florida Department of Transportation (FDOT). The agency also received Section 5339 and 5307 funds as well as State of Florida Block Grant, Service Development, Commuter Assistance, and Transit Corridor funding.

As a recipient of Section 5310 and 5307 grant funding received through FDOT, HART must comply with public transportation requirements under State of Florida regulations promulgated under Chapter 341, F.S. The Triennial Review is the most comprehensive oversight activity under this program. The Triennial Review detailed in this report comprises a formal examination of HART adherence to FDOT requirements in the following areas:

1. Grant Management and Compliance
2. Procurement
3. Asset Management

The review of the following areas was conducted prior to this review:

1. Vehicle Inventory Inspection
2. Triennial Maintenance Audit
3. Bus System Safety and Security

The review was conducted virtually due to the COVID-19 pandemic. Grant management and compliance and procurement requirements were provided in an **On-Site Triennial Review Checklist** and were completed by FDOT staff. The asset management, vehicle maintenance, and safety compliance reviews were completed separately by staff of the USF Center for Urban Transportation Research (CUTR) on August 23, 2021. HART received a final report summarizing these reviews on July 29, 2022. Due to HART having a federal financial review scheduled for the same period, the grant management review had to be postponed.

Review Participants

Review participants from HART, FDOT, and FDOT Consultant (Benesch) are listed below. A virtual site visit sign-in sheet from the review is provided in **Attachment 2**.

- HART
 - Loretta Kirk
 - Adele Marie Le Grand
 - Darlene Lollie

- Cathy Zickefoose
- Florida Department of Transportation
 - Dave Newell
 - Chris Leffert
- Benesch
 - Sarah Goolsby
 - Isaac Pinkney

Triennial Review Schedule

The Financial Review schedule for HART includes the following dates and milestones:

Milestone	Date
45-Day Notice Due	10/28/2022
Agenda Due to Participants	11/28/2022
Virtual-Site Visit	12/12/2022
Draft Report Due to Agency	01/26/2023
CAP Submitted to District	02/25/2023
District Approval of CAP	03/12/2023
Final Report Due	TBD
Letter of Compliance	TBD

Summary of Findings

A summary of the review for grant management and compliance and procurement requirements is listed in the **On-Site Triennial Review Checklist** in **Attachment 3**. A summary of the CAP is provided in **Section D**.

The review resulted in a total of no deficiencies, 1 area of concern, and 1 commendation.

Section C: Grant and Finance Review

Introduction

On December 12, 2022, staff from Benesch completed the On-Site Triennial Review Checklist for HART. The review was conducted virtually due to the ongoing COVID-19 pandemic. The purpose of the checklist is to ensure that the grant, finance, and procurement processes are compliant with the provisions outlined in Title XXVI Public Transportation, Chapter 341, Public Transit, F.S.; FDOT State Management Plan for grants; and Chapter 14-90, F.A.C. The checklist was based on the following equipment and operational standards:

1. Selection and Eligibility/ Eligible Services
2. Equipment Management
3. Project and Financial Management
4. Procurement
5. Other Provisions
6. State Program Provisions

HART submitted documents before the virtual review to ensure validity of the documents. Once reviewed, FDOT staff provided comments and support to HART to confirm that grant, finance, and procurement processes are compliant. The **On-Site Triennial Review Checklist** completed for HART is provided in **Attachment 3**.

Section D: Corrective Action Plan

Corrective Action Plan Matrix

Deficiencies are non-compliance areas that have corrective actions that must be completed. Areas of Concern have recommendations that the agency should complete as they are best practices and will help ensure better compliance. These become the Corrective Action Plan (CAP), and for HART, documentation of completion of the Corrective Actions are required to be submitted to FDOT within 30 days from the date of the agency’s CAP approval, unless otherwise approved by FDOT.

Deficiency: Area(s) found to be deficient or inadequate in complying with state and federal guidelines. Requirements to address deficiency will be indicated. The agency is required to develop and submit a CAP and implementation schedule for approval for each deficiency arising from a compliance review. District 7 will provide the CAP and implementation schedule for all deficiencies arising from a non-compliance review.							
#	Compliance Area	Finding	Corrective Action	Completion Date	Responsible Party	Agency Response to Finding	FDOT Response

Areas of Concern: Weakness in the adoption or implementation of procedures, and/or weaknesses with regard to conformance with state and federal guidelines. Recommendations will be provided to address areas of concern. The agency is required to develop and submit a CAP and implementation schedule for each area of concern, for approval by District 7.							
#	Compliance Area	Finding	Recommendation	Completion Date	Responsible Party	Agency Response to Finding	FDOT Response
1	Project and Financial Management	HART does not properly document the price analysis step for small purchases and competitive bid procurements.	HART should be conducting and documenting a price analysis for small purchases and competitive bid procurements. The price analysis should demonstrate that the quotes solicited are fair and reasonable and in line with the anticipated cost for the goods and services being procured. The price analysis should be completed before beginning a procurement request, i.e., when requesting funds for a grant application. Refer to FDOT's Procurement Manual for more information.	N/A (Optional Recommendation)	HART		

Commendation:	
Compliance Area	Recommendation
Project and Financial Management	HART has established Standard operating Procedures that outline comprehensive financial management policies and procedures for managing FTA, FDOT, and other federal, state, and local grants in compliance with federal, state, and local regulations, statutes, rules, and guidances. These policies and procedures also provide appropriate documentation for review/audit and determining compliance.



Attachment 1: Virtual Triennial Review Agenda

Triennial Review Agenda

Hillsborough Area Regional Transit Authority



Purpose: Hillsborough Area Regional Transit Authority Virtual ‘On-Site’ Triennial Review

Date/Time: Monday, December 12, 2022 at 9:00 AM

Location(s): Microsoft Teams

1.0 Purpose of Review

As a requirement for receiving Federal Transit Administration (FTA)/Florida Department of Transportation (FDOT) funding, your agency is required to undergo a Triennial Review. Triennial Reviews are conducted in conjunction with other required activities such as a Triennial Maintenance Audit. During this calendar year’s (2022) review cycle, your agency is due to receive the following reviews: **Grant and Finance Review.**

The Triennial Review process will consist of both a desktop review and an on-site visit, and in response to the COVID-19 Pandemic, will be performed virtually through Microsoft Teams and/or other applications as needed. Following the virtual visit, the review team will issue a report outlining the areas reviewed, compliance deficiencies, actions necessary by the sub-recipient to remedy the deficiency, and the timeframe for any noted corrective actions.

As part of the revised virtual review process, the review team will complete more of the review remotely as part of the desktop review. A list of additional documentation, records, and materials needed to complete the desktop portion of the review have been forwarded under separate correspondence. Your quick response will greatly assist in preparation and limiting the impact and disruption to your staff.

2.0 On-Site Reviewer Contact Information

Triennial Review - Reviewers	
Sarah Goolsby, Lead Reviewer Benesch (813) 224-8862 / sgoolsby@Benesch.com	Tracy Noyes Section 5310 Coordinator – FDOT D7 (813) 975-4837 / Tracy.Noyes@dot.state.fl.us
Richard Dreyer, Reviewer Benesch (813) 224-8862 / rdreyer@Benesch.com	David Newell Transit Programs Coordinator – FDOT D7 (813) 975-6195 / dave.newell@dot.state.fl.us

3.0 Review Schedule

9:00 AM – Introductions/Agenda Review

Location: Microsoft Teams

The entire team of reviewers will meet with HART virtually, using Microsoft Teams:

- Review Team members will introduce themselves along with their titles and responsibilities.
- An overview of the agenda and activities for the Triennial Review will be reviewed and any necessary revisions discussed and agreed.
- The schedule and application for the exit interview will be confirmed.

9:15 AM – Grant & Finance

Location: Microsoft Teams

The following sub-recipient materials and subject areas, reviewed during the desktop review, will be covered during the Triennial On-Site Review process:

- Financial management, including appropriate match, in-kind match verification for grants received via FDOT
- Equipment management and control
- Procurement files, including procurement policy, and third-party contract approvals
- Grant Program Management

4.0 Exit Interview – 11:30 AM

Location: Microsoft Teams

The entire team of reviewers, FDOT representatives, and HART staff will participate in an exit interview virtually, using the Teams application.

At the conclusion of the virtual on-site review, an exit interview will be held to give a preliminary report of the review and the findings.

5.0 Agency Personnel Needed

In order for the reviewers to have access to the required documents, it will be imperative that they have an agency representative accessible at all times, even with the virtual application being used during the pandemic. For the purposes of this review, this will include staff who oversee HART's grants and financial duties and any of the other subject areas listed under Section 3 of this agenda.

Thank you for your time and patience. We are here to assist you and want to make our visit a positive experience.

Sarah Goolsby
(813) 224-8862
sgoolsby@benesch.com



Attachment 2: Virtual Site Visit Sign-In Sheet



SIGN-IN SHEET
Virtual Triennial Review - HART
Monday, December 12, 2022

Any information you provide will remain strictly confidential and will not be distributed in any way.

No.	Name	Job Title	Organization	Phone #	E-mail Address
1	Sarah Goolsby	Lead Reviewer	Benesch	813-224-8862	sgoolsby@benesch.com
2	Isaac Pinkney	Reviewer	Benesch	813-224-8862	jpinkney@benesch.com
3	Dave Newell	Transit Programs Coordinator	FDOT D7	813-975-6195	dave.newell@dot.state.fl.us
4	Chris Leffert	Transit Programs Administrator	FDOT D7	813-975-6403	chris.leffert@dot.state.fl.us
5	Loretta Kirk	CFO	HART	NA	KirkL@gohart.org
6	Adele Marie Le Grand	CEO	HART	NA	NA
7	Darlene Lollie	Procurement Analyst	HART	NA	dlollie@gohart.org
8	Cathy Zickefoose	Director of Procurement and Contracts	HART	NA	czickefoose@gohart.org
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Attachment 3: Triennial Review Grant and Finance Checklist

SECTION 1. SELECTION AND ELIGIBILITY/ELIGIBLE SERVICES

FTA FUNDS RECEIVED BY SUB-RECIPIENT

States and sub-recipients must be eligible under the specific requirements of the FTA programs and have the **legal, financial, and technical capacity** to carry out the proposed program of projects.

1. What type(s) of federal funds has/have the sub-recipient received during the last three (3) years?

- Section 5311 Section 5310 Section 5305(d)
 Section 5307 Section 5316 Section 5317
 Section 5339

2. What best describes this project? Please provide a short description. (e.g., is the sub-recipient providing a transportation project that improves access to fixed-route service and decreases reliance on complementary paratransit, etc.)

The sub-recipient is the public transportation provider for Hillsborough County. The agency provides local fixed route service, express bus service, door-to-door paratransit, a light version of BRT, flex routes, and a heritage streetcar line.

3. What type(s) of state funds has/have the sub-recipient received during the last three (3) years?

- Block Grant Commuter Assistance Park & Ride
 Service Development Transit Corridor
 Other

ORGANIZATIONAL STATUS OF THE SUB-RECIPIENT

1. What is the organizational status of the sub-recipient, and does this agency qualify as an eligible sub-recipient for the federal funds that it receives? Provide a short description (e.g., is the sub-recipient a private nonprofit organization, local government, etc.).

Hillsborough Area Regional Transit (also known as the Hillsborough Transit Authority (HART) provides public transportation for Hillsborough County, Florida. The agency provides fixed-route local and express bus service, door-to-door paratransit service (HARTplus), flex-route neighborhood connector service (HARTflex), a lightened version of Bus Rapid Transit (MetroRapid), and manages the TECO Line Streetcar System.

2. What type of activities were funded under:

- a. Section 5311:

HART has not received Section 5311 funding.

b. Section 5310:

Operating – Mobility Manager, door-to-door trips.

c. Section 5305(d):

Agency has not received 5305(d) funding.

d. Section 5307:

Receives 5307 direct from FTA

e. New Freedom:

Agency has not received New Freedom funding.

f. JARC:

Agency has not received JARC funding.

g. Transit Corridor:

Route 34 and Route 400 completed/spent out

h. Service Development:

Maintenance Facility – not started yet
Route 11 service – not used yet
Downtownner - not active yet

i. Other:

Regional fare collection system, Streetcar, BRT study, 5339

LOCAL MATCH/FINANCIAL CAPABILITY

Funds may be used to finance **capital** and/or **operating** expenses. The federal share of eligible capital costs shall be in an amount equal to 80 percent of the net cost of the activity. The federal share of the eligible operating costs may not exceed 50 percent of the net operating costs of the activity.

The local share may be provided from an undistributed cash surplus, a replacement or depreciation

cash fund or reserve, and/or a service agreement with a state or local service agency or private social service organization. Examples of these sources of local match include: state or local appropriations, dedicated tax revenues, private donations, revenue from service contracts, transportation development credits, and net income generated from advertising and concessions. Non-cash shares such as donations, volunteered services, or in-kind contributions are eligible to be counted toward the local match if the value of each is documented and supported, represents a cost which would otherwise be eligible under the program, and is included in the net project costs in the project budget.

Income from contracts to provide human service transportation may be used either to reduce the net project cost (treated as revenue) or to provide local match for operating assistance. In either case, the cost of providing the contract service is included in the total project cost. No FTA program funds can be used as a source of local match for other FTA programs, even when used to contract for service. All sources of local match must be identified and described in the grant application at the time of grant award.

In addition, the local share may be derived from federal programs that are eligible to be expended for transportation, other than DOT programs, or from DOT's Federal Lands Highway program. Examples of types of programs that are potential sources of local match include: employment, training, aging, medical, community services, and rehabilitation services.

It is imperative for the reviewer to determine whether the sub-recipient has the financial capability to accept and manage federal funds.

1. What is/are the source(s) of the funds being used to generate local match?

Ad Valorem and Fares are the primary funds to generate local match.

Are these sources non-Federal as defined above?

Yes No

2. Is the sub-recipient generating sufficient local match for its grants?

Yes No

3. Does the sub-recipient appear financially sound?

Yes No

4. Do the sub-recipient's financial records appear to be maintained using Generally Accepted Accounting Principles?

Yes No

5. Can funds be traced to level of expenditures?

Yes No

6. Is the sub-recipient charging indirect costs?

Yes No

If yes, has the District approved the agency's indirect cost rates/plan?

Yes No N/A

7. Sample invoices to ensure that reported expenditures are supported with proper back-up documentation.

No issues identified. HART has worked to resolve any invoice issues with FDOT in the past.

FTA C 5010.1E

Force account is the use of a recipient's labor force as a capital expense to carry out a capital project. Force account work may consist of design, construction, overhaul, inspection, and construction management activities, if eligible for reimbursement as a capital expense under the Award. Force account work does not include Award or project administration activities that are otherwise direct project costs. Force account also does not include preventive maintenance or other items under the expanded definition of capital (e.g., security drills, mobility management) that are traditionally not a capital expense. Incremental labor costs for flagging protection, service diversions, or other activities under FTA's expanded definition of capital also do not need to be included. Based on the amount of Force Account work, recipients may be required to submit a justification to use force account and/or the Force Account Plan for FTA approval.

- 1) Force account work less than \$1,000,000 can be performed without justification or a force account plan.
- 2) Force account work \$1,000,000 or greater but less than \$10,000,000 requires submission of a force account justification prior to Award. A recipient must maintain a force account plan in its files prior to incurring costs.
- 3) Force account work at \$10,000,000 or greater requires submission of a force account justification, as well as prior FTA approval of the force account plan. Note that a force account plan is prepared at the project level; it, therefore, may cover multiple Grants, Cooperative Agreements, or Amendments thereto. It may be prepared prior to or subsequent to Award, but must be in place before incurring costs.
- 4) Justification of Force Account work. A justification to undertake force account work is required to use the recipient's own labor force greater than \$1,000,000 on a project. One of four conditions may warrant the use of force account work. These are: (a) cost savings, (b) exclusive expertise, (c) safety and efficiency of operations, or (d) union agreement. The justification must address at least one of the four criteria.

Force Account Plans

Prior to incurring costs, a recipient must develop force account plans if it intends to use its own labor force in amounts greater than \$1,000,000 on a project and retain the plan in its files. If the amount is \$10,000,000 or greater, the force account plan must be submitted to FTA for approval, including the following information and must be approved by FTA prior to incurring costs:

- a) A description of the scope of work;
- b) A copy of the construction plans and specifications which includes a detailed estimate of costs and a detailed schedule and budget; and

- c) A copy of the proposed Agreement when another public agency is involved.

Special care must be taken to ensure that requirements of 2 CFR part 200 are followed, especially for charging expendable property to force account projects and making sure that allowable costs are assigned to the correct activity codes.

Most general-purpose equipment and tools can be used in force account work and thereby benefit more than one project. Therefore, the cost of these items normally should not be treated as a direct charge to the project. However, an appropriate use or depreciation charge is an allowable indirect cost if otherwise provided for in the Award Budget. Unusual circumstances may call for the purchase of specialized equipment that is unique to the force account work that is being performed. If such equipment is required, prior FTA approval must be obtained. The usual FTA equipment disposition requirements apply.

The progress and status of force account activities should be separately discussed in milestone/project reports, with emphasis on schedule and budget.

8. Project Management:

- a) Is the recipient implementing a capital grant with its own workforce?

Yes No

- b) If so, does the sub-recipient meet the requirements of needing a force account plan?

Yes No N/A

- c) Is the recipient doing facility construction or rehabilitation?

Yes No

- d) If yes, review the agency's monitoring and oversight process for the construction project.

Grant has not been active yet. HART will create and submit a Force Account Plan to FTA once the grant is populated. Project entails construction of a new Heavy Maintenance building. Total expected project cost is over \$10M.

SECTION 2. EQUIPMENT MANAGEMENT

EQUIPMENT – GENERAL (NON-VEHICLE OR FACILITY)

Any property (equipment, furniture and fixtures, vehicles, buildings, and land) purchased with federal or state funds administered by the FDOT and valued at \$5,000 or more must be accounted for in the sub-recipient's fixed asset listing. The asset listing is to contain the federally required information outlined in the Common Rule and generally accepted accounting principles, as appropriate.

Each capital item shall be assigned a unique identification number throughout its life; the identification number should not be reused. Equipment purchased as an integral part of the vehicle does not need to be separately inventoried; for example, a lift or destination sign that is purchased as part of a vehicle does not need to be inventoried. Capital items are to be depreciated in accordance with generally accepted accounting principles. However, depreciation expense is not an allowable reimbursable cost to Federal programs if purchased, in part or in whole, with federal funds.

Guidance Regarding Useful Life of Equipment

FTA provides a useful life policy for rolling stock, trolleys, ferries, facilities, and some equipment. Where a useful life policy has not been defined by FTA, the grantee, in consultation with the FTA regional or metropolitan office shall "make the case" by identifying a useful life period for all equipment and facilities with an acquisition value greater than \$5,000 to be procured with federal funds. Sub-recipients to FDOT must propose and identify a useful life for the capital asset to be purchased with federal funds. The sub-recipient should identify the method used to determine the useful life. Acceptable methods to determine useful life include but are not limited to:

- *Generally accepted accounting principles*
- *Independent evaluation*
- *Manufacturer's estimated useful life*
- [Internal Revenue Service guidelines](#)
- *Industry standards*
- *Grantee experience*
- *The grantee's independent auditor who needs to concur that the useful life is reasonable for depreciation purposes*
- *Proven useful life developed at a Federal test facility*

FTA approval of the Department's grant and the execution of the sub-recipient Joint Participation Agreement represents FTA concurrence with the final determination of useful life for project property acquisition. This in turn will identify the useful life of the Federal interest for the disposition of the project property in later years.

Determining Useful Life for Project Property

For all State-administered programs, the State is responsible for approving the useful life proposed

by the sub-recipient. In the grant application, the grantee shall propose and identify a useful life for the capital asset to be purchased with Federal funds. The Department recommends using [Internal Revenue Service guidelines](#) when determining useful life for project property/equipment. The grantee should check these guidelines for changes on a regular basis.

1. Does the sub-recipient use all equipment acquired with FTA funds in a manner consistent with the original project application or purpose?

Yes No

2. Does the sub-recipient have any project equipment that is no longer needed for transportation purposes?

Yes No

If "Yes," has the sub-recipient notified FDOT that the equipment is no longer needed for program purposes?

Yes No N/A

3. How does the sub-recipient document inventory of non-vehicle assets with a federal or state interest?

The agency documents non-vehicle assets with the same documentation as vehicle assets which includes: Asset Descriptions, Serial #, Grant Number, Title Holder, Acquisition Date, Cost, Federal Participation %, State Participation %, Local Participation %, HART Participation %, Location, Use and Current Condition, and Disposition information.

4. Has the sub-recipient disposed of any project equipment during the last three years?

Yes No

If "Yes," had the equipment exceeded its useful life as determined by FDOT?

Yes No N/A

If "No," did the sub-recipient notify FDOT for transfer to another transit program?

Yes No N/A

5. Does the sub-recipient maintain property/asset records for all equipment acquired with FTA funds?

Yes No

If "Yes," are all required data elements contained in the inventory record?

Yes No Requirement

 Description of the property

 Serial number or other identification numbers

 Source of the property (grant source, program number)

- Name of the title holder
- Acquisition date
- Cost
- Percentage of Federal participation in the cost of the property
- Location of the equipment
- Use and current condition
- Disposition information (if applicable), including date of disposal and sale price

6. If the sub-recipient disposed of any project equipment prior to the end of useful life via a transfer to another project, what methods were used to establish fair market value?

7. Has the sub-recipient transferred any project equipment with remaining useful life to another entity?

- Yes No

If "Yes," did the sub-recipient transfer real property to another entity eligible to receive assistance under 49 U.S.C. Chapter 53?

- Yes No N/A

If "Yes," Did FDOT approve of the transfer?

- Yes No N/A

PROPERTY MANAGEMENT AND CONTROL (VEHICLE AND FACILITY)

The Common Rule requires all recipients and sub-recipients to adopt property management standards for all equipment acquired under any program. Property management records must adhere to the elements specified in this section.

A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. **Any loss, damage, or theft of equipment shall be investigated and fully documented; if the equipment was purchased with FDOT-administered federal or at least 50% state funds, and had not passed the end of its useful life, the sub-recipient shall promptly notify FDOT.**

Sub-recipients shall, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired with federal funds or 50% state funds as provided to property owned by the recipient.

Sub-recipients must carry insurance on vehicles, equipment, and facilities to cover the federal

interest and state interest in the asset.

If a vehicle is out of service more than 30 days, transit providers must provide written notification to the appropriate FDOT Program Manager. For the time period the vehicle is out of service, the transit provider must ensure that the time does not count toward the minimum useful life; accounting must stop the depreciation calculation. Additionally, incidental service mileage does not count toward the minimum useful life mileage.

1. Does the sub-recipient maintain satisfactory continuing control over all FDOT-administered federally funded assets (e.g., maintains direct control over the asset)?

Yes No

Has the sub-recipient leased equipment to another entity?

Yes No N/A

If "Yes," is there a formal agreement between the parties?

Yes No N/A

If "Yes," does the lease:

Yes	No	Lease Requirement
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<input type="checkbox"/>	<input checked="" type="checkbox"/>	Specify FDOT interest in the vehicle?
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<input type="checkbox"/>	<input checked="" type="checkbox"/>	Specify permissible/non-permissible incidental use of the vehicle?
--------------------------	-------------------------------------	--

<input type="checkbox"/>	<input checked="" type="checkbox"/>	Require lessee to perform vehicle maintenance in accordance with OEM recommendations?
--------------------------	-------------------------------------	---

<input type="checkbox"/>	<input checked="" type="checkbox"/>	Assign insurance responsibility and all appropriate hold-harmless/indemnification provisions?
--------------------------	-------------------------------------	---

<input type="checkbox"/>	<input checked="" type="checkbox"/>	Have a finite period of performance?
--------------------------	-------------------------------------	--------------------------------------

<input type="checkbox"/>	<input checked="" type="checkbox"/>	Notification protocols in the event the vehicle is involved in an accident?
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2. Has the sub-recipient suffered any casualty loss of project equipment during the last three (3) years?

Yes No

If "Yes," did the sub-recipient receive an insurance settlement?

Yes No N/A

Did the sub-recipient request guidance from FDOT on the procedures for re-investing the settlement proceeds in a replacement vehicle?

Yes No N/A

Agency receives guidance from FDOT and FTA on reinvesting funds.

3. Does the sub-recipient utilize project equipment for use on other projects or programs

supported directly or indirectly by the federal government?

Yes No

SECTION 3. PROJECT AND FINANCIAL MANAGEMENT

1. Ensure that a signed standard lobbying certification form is on file for any sub-recipient agreement at \$100,000 or more.

A standard lobbying certification form is on file and dated 1/27/2022.

AUDIT

1. Review the sub-recipient's most recent A-133 audit performed in accordance with the Single Audit Act. Ask the sub-recipient if there are any audit exceptions included in the audit, and discuss these with the sub-recipient to determine the nature and severity of the exceptions. Review the Recipient/Sub-recipient Single Audit Procedure No. 450-010-001. Contact the Statewide Grant Coordinators at 850-414-4391 to determine if there are additional single audit issues that need to be resolved. *(An A-133 audit is required for any entity that exceeds \$750,000 or more in Federal awards in a single year. If the entity expends less than \$750,000 in Federal awards in a year they are exempt from the Federal audit requirements for that year.)*

Reviewed the audit for period Oct. 1, 2020-Sept. 30, 2021, no deficiencies and one material weakness was reported. Auditors were concerned with financial staff turnover and the effect it had on existing staff to complete their responsibilities in a timely manner (pg 127). Per HART's response, it looks like many positions have been filled since the audit was conducted.

It has been checked and improved upon, they have hired several needed positions to help with the separation of power, as well as monthly meetings. It has been hard finding people but it looks like they are putting in the work.

SECTION 4. PROCUREMENT

ACQUISITION METHODS

Sub-recipients must comply with FTA procurement requirements contained in the current FTA Circular 4220.1. States and designated recipients are responsible for ensuring that sub-recipients are aware of and comply with these additional requirements.

1. Does the sub-recipient have an agency purchasing policy?

Yes No

If "Yes", does the sub-recipient's purchasing policy incorporate Federal purchasing rules?

Yes No N/A

2. Has the sub-recipient purchased vehicles through a state contract administered either by the Florida Department of Transportation (TRIPS Program) or the Department of Management Services (DMS)?

Yes No

3. If vehicles were purchased through the DMS state contract, has the sub-recipient ensured that all Federal provisions have been met?

Yes No N/A

4. If the sub-recipient has purchased vehicles through the DMS state contract, did the vehicles meet Buy America standards?

Yes No N/A

5. Has the sub-recipient made any other purchases?

Yes No

If "Yes", did a sampling of procurements determine if the sub-recipient followed their purchasing policy and utilized the Third-Party Checklist found in the Procurement Guidance for Transit Agencies?

Yes No N/A

6. Did the sub-recipient complete and document the EPLS check for contractors at SAM.gov?

Yes No N/A

7. Did the sub-recipient complete and document the e-verify process?

Yes No

Procurement Review:

- Microwave Antenna Installation (\$53,381.65 - Bid)
 - Federal only funds (5339)
 - Put out to public to solicit price quotes
 - No price analysis documentation
 - Appropriate Federal clauses included

- Streetcar Vehicle Overhaul (\$1,682,236.24 - Bid)
 - Federal only funds
 - Put out to public to solicit bids
 - No price analysis documentation
 - Received 2 bids
 - Appropriate Federal clauses included
- Chevy Malibu (\$18,485.63 - Small)
 - Non-revenue vehicle purchased through DMS
- Landing & Pad Shelter Pad Installation (\$3,179 - Small)
 - Federal only funds
 - Received 3 price quotes
 - No price analysis documentation
- HART Plus Trip Provider (\$372,500 - Bid)
 - State grant (5310)
 - Publicly advertised
 - Limited bids due to the project specifications of the services being provided
 - 2 bids received
 - No price analysis documentation
 - Appropriate Federal clauses included

Finding: lacking documentation of price analysis.

SECTION 5. OTHER PROVISIONS

CONTRACTING AND INVOICING RELATED QUESTIONS

- List the types of funds the sub-recipient receives.

FTA 5307, 5310, and 5339 funds. State funds including Block Grant, Commuter Assistance, Transit/Urban Corridor, and Service Development

- Fill out the following matrix for each funding program or contract, as applicable:

Program: Service Development		FM:	
Contract: G1Z22	Expires: 6/30/2024	Remaining Funds: \$3,990,000	
Review Item	Status	Comments	Action Item
Missing Documents in files	OK		
Invoice issues	OK		
Time extension/SJPA needs	See comment	The project is past the anticipated start time. Will work with FDOT if an extension is needed.	
Comment: Route 11 service			

Program: Service Development		FM:	
Contract: G1K16	Expires: 6/30/2023	Remaining Funds: \$7,000,000	
Review Item	Status	Comments	Action Item
Missing Documents in files	OK		
Invoice issues	OK		
Time extension/SJPA needs	OK		
Comments: HM Building. Project has not started yet.			

Program: 5310		FM:	
Contract: G1T66	Expires: 6/30/2023	Remaining Funds: \$50,000	

Review Item	Status	Comments	Action Item
Missing Documents in files	OK		
Invoice issues	OK		
Time extension/SJPA needs	OK		
Comments: for mobility manager			

Program: Commuter Assistance		FM:	
Contract: G1W96	Expires: 6/30/2024	Remaining Funds: \$1,400,000	
Review Item	Status	Comments	Action Item
Missing Documents in files	OK		
Invoice issues	OK		
Time extension/SJPA needs	OK		
Comments: street car fares			

At the end of the visit, ask the recipient if they have any questions about or problems with DOT policies and procedures that they need to discuss further. If questions arise that you are unable to answer immediately, make the commitment to follow up quickly.

REPORTING (5307, 5311, AND BLOCK GRANT)

Recipients that receive Section 5307, 5311, and State Public Transit Block grant funds must collect, record and report financial and non-financial data in accordance with the Uniform System of Accounts (USOA) and the National Transit Database (NTD) Reporting Manual. (49 USC 5335(a) and F.S. Chapter 341.052).

All other recipients are required to report based on reporting requirements identified in their JPAs (typically in Exhibit A for JPAs and Attachment A for SJPA).

1. When was the Recipient’s last progress or quarterly report? Is it timely and consistent with the JPA/SJPA? Was it entered into or uploaded into TransCIP? (Recipient’s projects in TransCIP should be reviewed prior to the on-site review.)

HART does not submit quarterly reports, but progress reports are submitted with invoices.

2. When did the recipient last provide a complete report to NTD of all transit operations?

FY 2021 was submitted. Currently working on FY2022 report.

3. How does the grantee ensure correct reporting of operating expenses for ADA complementary paratransit?

A tracking system is used.

4. What is the system for collecting unlinked passenger trip and passenger mile information? If the grantee uses automatic passenger counters (APCs), verify the agreement with NTD and note in this section. How does the grantee validate the counts throughout the year?

APCs are used on all routes and streetcar. APC data is validated by randomly sampling 50 trips on fixed-routes and 20 streetcar trips.

BLOCK GRANT RELATED QUESTIONS

1. Prior to conducting the site visit, review all block grant files pertaining to the recipient. Become familiar with the status of each project, fund balances, audit exceptions, Transit Development Plans, etc. Note any problems that have arisen in the past.

No concerns.

2. What is the status of the TDP at the time of the visit? Has the TDP been adopted by the policy board and been reviewed by the MPO?

HART got a special request last year to push back their Major Update due date. TDP was submitted to FDOT on time in 2022. FDOT is working with HART to fill in some gaps, but the block grant funding has been released to the agency.

3. Are recommendations for service changes in the TDP being adopted?

It is too early to implement any recommendations from this most recent TDP. Recommendations from previous TDP were affected by the issues surrounding the transportation tax referendum.

4. Has FTA, the A-133 auditors or the Office of the Inspector General taken exception to or disallowed any of the recipient's National Transit Database (NTD) data in the past? If so what corrective actions have been taken?

No entities have taken exception to or disallowed any of the recipient's NTD data.

SERVICE DEVELOPMENT RELATED QUESTIONS

1. Prior to conducting the site visit, review all Service Development files pertaining to the recipient. Become familiar with the status of each project, fund balances, audit exceptions, etc. Note any problems that have arisen in the past.

No issues.

2. List recipient's current Service Development projects.

- HM Building \$3,500,000 (50%/50% with FDOT)
- Route 11 Westshore \$1,401,021 (50%/50% with FDOT)

3. Consult with the recipient on the reported progress in meeting objectives and milestones of project/s.

Neither of these projects have been started. HART will submit project progress with invoice progress reports.

COMMUTER ASSISTANCE RELATED QUESTIONS

1. Prior to conducting the site visit, review all Commuter Assistance files pertaining to the recipient. Become familiar with the status of each project, fund balances, audit exceptions, etc. Note any problems that have arisen in the past.

No problems identified.

2. List recipient's current Commuter Assistance projects.

Streetcar Free Fares 6/2021-6/2024

3. Consult with the recipient on the reported progress in meeting objectives and milestones of project/s.

Yes, the service has been running smoothly. Has met the overall expenses and goals for the streetcar so far.

TRANSIT CORRIDOR RELATED QUESTIONS

1. Prior to conducting the site visit, review all Transit Corridor files pertaining to the recipient. Become familiar with the status of each project, fund balances, audit exceptions, etc. Note any problems that have arisen in the past.

No issues.

2. List recipient's current Transit Corridor projects.

There are two projects, Route 34 and Route 400 (complete and spent out).

3. Consult with the recipient on the reported progress in meeting objectives and milestones of project/s.

Objectives and milestones were met and included with invoice progress reports.