



NAPA VALLEY TRANSPORTATION AUTHORITY Board Agenda Letter

TO: Board of Directors
FROM: Kate Miller, Executive Director
REPORT BY: Antonio Onorato, Director-Administration, Finance, and Policy
(707) 259-8779 / Email: aonorato@nvta.ca.gov
SUBJECT: 2019 Federal Transit Administration Triennial Review

RECOMMENDATION

That the Napa Valley Transportation Authority (NVTA) Board review and file the 2019 FTA Triennial report (Attachment 1) and NVTA response (Attachment 1).

OTHER OPTIONS FOR CONSIDERATION

None

COMMITTEE RECOMMENDATION

None

EXECUTIVE SUMMARY

Every three years the Federal Transit Administration (FTA) is required to evaluate the performance of all grantees that receive federal transit funds. The Triennial Review focused on twenty-one areas. Although not considered an audit, the Triennial Review is the FTA's assessment of NVTA's compliance with FTA requirements. The process includes by examining samples of award management and program implementation practices.

PROCEDURAL REQUIREMENTS

1. Staff Report
2. Public Comments
3. Motion, Second, Discussion and Vote

FISCAL IMPACT

Is there a Fiscal Impact? No. This was a compliance review.

STRATEGIC GOALS MET BY THIS PROPOSAL

Goal 2: Improve system safety in order to support all modes and serve all users. Federal Transit Administration regulations are put in place to ensure that public transit recipients are in compliance with federal regulations, and that public transit systems meet federal statute and safety requirements. The FTA Triennial Review, while not exclusive to safety, ensures that the agency is following maintenance and procurement criteria and that vehicles and facilities are regularly inspected and maintained to adhere to federal requirements.

CEQA REQUIREMENTS

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (California Environmental Quality Act (CEQA) Guidelines) and therefore CEQA is not applicable

BACKGROUND AND DISCUSSION

Federal regulations continually change in the transit industry and the Triennial Review is a good mechanism to ensure that NVRTA is aware of all the changes.

FTA's final report (Attachment 1) describes the 21 areas of interest to the federal government, summary of findings, and NVRTA's compliance in each area. NVRTA had no deficiencies in fifteen areas with deficiencies found in six areas: Financial Management and Capacity, Satisfactory Continuing Control, Maintenance, Procurement, Disadvantage Business Enterprise, and Equal Opportunity Employment. NVRTA had no repeat deficiencies from the last Triennial Review in 2016. Attachment 2 provides NVRTA's response and corrective actions that will be taken to cure the deficiency.

SUPPORTING DOCUMENTS

Attachments: (1) Federal Transit Administration (FTA) Fiscal Year 2019 Triennial Review Final Report
(2) September 26, 2019 NVRTA Response Letter to FTA



U.S. Department
of Transportation
**Federal Transit
Administration**

REGION IX
Arizona, California,
Hawaii, Nevada, Guam,
American Samoa,
Northern Mariana Islands

90 7th Street
Suite 15-300
San Francisco, CA 94103-6701
415-734-9490

888 South Figueroa Street
Suite 440
Los Angeles, CA 90017-5467
213-202-3950

OCT 10 2019

Mr. Chris Canning
Board Chair, Board of Directors
Napa Valley Transportation Authority
625 Burnell Street
Napa, CA 94559

RE: Federal Transit Administration (FTA)
Fiscal Year 2019 Triennial Review
Final Report

Dear Mr. Canning:

I am pleased to provide you with a copy of this FTA report as required by 49 U.S.C. Chapter 53 and other Federal requirements. The enclosed final report documents the FTA's Triennial Review of the Napa Valley Transportation Authority (NVTA) in Napa, California. Although not an audit, the Triennial Review is the FTA's assessment of NVTA's compliance with Federal requirements, determined by examining a sample of award management and program implementation practices. As such, the Triennial Review is not intended as, nor does it constitute, a comprehensive and final review of compliance with award requirements.

The Triennial Review focused on NVTA's compliance in 21 areas. No deficiencies were found with the FTA requirements in 15 areas. Deficiencies were found in 6 areas: Financial Management and Capacity, Satisfactory Continuing Control, Maintenance, Procurement, Disadvantaged Business Enterprise (DBE), and Equal Employment Opportunity (EEO). NVTA had no repeat deficiencies from the 2016 Triennial Review.

Regulations and Guidance

Public Transportation Agency Safety Plan (PTASP) Final Rule

On July 19, 2018, FTA published the PTASP Final Rule. The PTASP Final Rule, which took effect July 19, 2019, requires all operators of public transportation systems that are recipients and subrecipients of FTA's Urbanized Area Formula Grants to develop safety plans that include the processes and procedures to implement Safety Management Systems (SMS). FTA is deferring applicability of this requirement for operators that only receive funds through FTA's Enhanced Mobility of Seniors and Individuals with Disabilities Formula Program (Section 5310) and/or Rural Area Formula Program (Section 5311).

As part of the Annual Certifications and Assurances, transit operators must certify they have a safety plan in place for meeting the requirements of the rule by July 20, 2020. All plans will be reviewed starting October 1, 2021 through FTA's oversight process. For guidance and updates to assist in the preparation and implementation of the PTASP Final Rule, please visit FTA's website at www.transit.dot.gov/PTASP.

Random Drug Testing Rate Increase

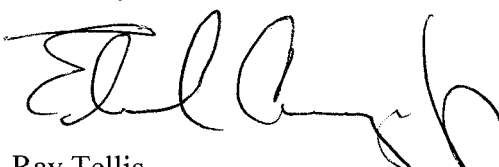
On October 17, 2018, FTA published a Dear Colleague letter, "2019 Random Drug Testing Increase." FTA, as mandated by its drug and alcohol regulation for random testing, at 49 CFR 655.45, increases the minimum rate of random drug testing from 25 percent to 50 percent of covered employees for employers subject to FTA's drug and alcohol regulation, which took effect January 1, 2019. This increased random drug testing rate results from a recent uptick in the proportion of violations identified through random drug testing. The 50 percent random drug testing rate will apply to entities receiving Federal assistance under 49 U.S.C. 5307, 5309, 5311, or 5339 including recipients, subrecipients, and safety-sensitive contractors. The required minimum rate for random alcohol testing is unaffected and will remain at 10 percent for calendar year 2019.

This year, FTA is implementing new procedures to close Civil Rights findings. The corrective actions to your DBE and EEO deficiencies must be emailed to this address:

region9civilrights@dot.gov. Please see Section VII of the final report for more information. The corrective actions for your DBE and EEO deficiencies must follow these procedures.

Thank you for your cooperation and assistance during this Triennial Review. If you need any technical assistance or have any questions, please do not hesitate to contact Ms. Audrey Bredehoft, Senior Financial Analyst, at (415) 734-9453 or by email at audrey.bredehoft@dot.gov.

Sincerely,


For Ray Tellis
Regional Administrator

Enclosure

cc: Ms. Kate Miller, Executive Director, NVTA

FINAL REPORT

**FISCAL YEAR 2019
TRIENNIAL REVIEW**

of the

**Napa Valley Transportation Authority
(NVTa)
Napa, CA
ID: 5001**

Performed for:

**U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
REGION IX**

Prepared By:

Qi Tech, LLC

**Scoping Meeting Date: June 10, 2019
Site Visit Date: August 26-27, 2019
Final Report Date: October 10, 2019**

Table of Contents

I. Executive Summary	1
II. Review Process and Background	2
1. Background	2
2. Process.....	2
3. Metrics	3
III. Recipient Description	4
1. Organization and Services	4
2. Award and Project Activity	5
IV. Results of the Review	6
1. Legal.....	6
2. Financial Management and Capacity.....	6
3. Technical Capacity – Award Management.....	6
4. Technical Capacity – Program Management and Subrecipient Oversight	7
5. Technical Capacity – Project Management	7
6. Transit Asset Management	7
7. Satisfactory Continuing Control	7
8. Maintenance.....	8
9. Procurement	8
10. Disadvantaged Business Enterprise.....	10
11. Title VI	11
12. Americans With Disabilities Act – General	11
13. Americans With Disabilities Act – Complementary Paratransit.....	11
14. Equal Employment Opportunity	12
15. School Bus	12
16. Charter Bus.....	13
17. Drug-Free Workplace Act	13
18. Drug and Alcohol Program.....	13
19. Section 5307 Program Requirements	13
20. Section 5310 Program Requirements.....	14
21. Section 5311 Program Requirements.....	14
V. Summary of Findings.....	15
VI. Attendees.....	18
VII. Appendices	19

I. Executive Summary

This report documents the Federal Transit Administration's (FTA) Triennial Review of the Napa Valley Transportation Authority (NVTA) in Napa, California. FTA wants to ensure that awards are administered in accordance with the requirements of Federal Public Transportation Law 49 U.S.C. Chapter 53. The review was performed by Qi Tech, LLC. During the site visit, administrative and statutory requirements were discussed and documents were reviewed. NVTA's transit facilities were toured to provide an overview of activities related to FTA-funded projects.

The Triennial Review focused on the NVTA's compliance in 21 areas. Deficiencies were found in the areas listed below.

Review Area	Deficiencies	
	Code	Description
Financial Management and Capacity	F2-3	ECHO draws not properly approved
Satisfactory Continuing Control	SCC8-4	No evidence of physical inventory or reconciliation
Maintenance	M1-4	No system of periodic inspections and preventive maintenance identified in facility or equipment maintenance plan
Procurement	P1-3	Procurement policies and procedures not current/complete
	P8-2	Improper small purchase procedures used
Disadvantaged Business Enterprise (DBE)	DBE1-2	Revisions to DBE program not made
	DBE11-1	Unreported transit vehicle purchases
Equal Employment Opportunity	EEO5-1	Insufficient oversight of contractor EEO Program

II. Review Background and Process

1. Background

The United States Code, Chapter 53 of Title 49 (49 U.S.C. 5307(f) (2)) requires that “At least once every three years, the Secretary shall review and evaluate completely the performance of a grantee in carrying out its program, specifically referring to compliance with statutory and administrative requirements.” This Triennial Review was performed in accordance with FTA procedures (published in FTA Order 9010.1B, April 5, 1993).

The Triennial Review includes a review of the recipient’s compliance in 21 areas. The basic requirements for each of these areas are summarized in Section IV.

This report presents the findings from the Triennial Review of Napa Valley Transportation Authority (NVTA). The review concentrated on procedures and practices employed during the past three years; however, coverage was extended to earlier periods as needed to assess the policies in place and the management of award funds. The specific documents reviewed and referenced in this report are available at FTA’s regional office or the recipient’s office.

2. Process

The Triennial Review process includes a pre-review assessment, a review scoping meeting with the FTA regional office, and an on-site visit to the recipient’s location. A Recipient Information Request (RIR) package was sent to NVTA advising it of the review and site visit and containing a list of items and questions that the recipient was required to submit to the reviewer. The review scoping meeting was conducted with the Region IX Office on June 10, 2019. Necessary files retained by the regional office were sent to the reviewer electronically. A Site Visit Agenda package was sent to the NVTA advising it of the site visit date and indicating information that would be needed and issues that would be discussed. The site visit to NVTA occurred on August 26-27, 2019.

The onsite portion of the review began with an entrance conference, at which the purpose of the Triennial Review and the review process were discussed. The remaining time was spent discussing administrative and statutory requirements and reviewing documents. The reviewers toured the Soscil Gateway Transit Center at 625 Burnell Street, Napa; and interviewed NVTA’s operating contractor, Transdev, to obtain an overview of activities related to FTA-funded projects. The reviewers examined a sample of maintenance records for FTA-funded vehicles and equipment.

Upon completion of the review, FTA and the reviewer provided a summary of preliminary findings to NVTA at an exit conference. Section VI of this report lists the individuals participating in the review.

3. Metrics

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

- Not Deficient: An area is considered not deficient if, during the review, no findings were noted with the recipient's implementation of the requirements.
- Deficient: An area is considered deficient if any of the requirements within the area reviewed were not met.
- Not Applicable: An area can be deemed not applicable if, after an initial assessment, the recipient does not conduct activities for which the requirements of the respective area would be applicable.

III. Recipient Description

1. Organization and Services

The Napa Valley Transportation Authority (NVTa), formerly the Napa County Transportation and Planning Agency, assumed responsibility for fixed-route transit service from the City of Napa and paratransit service from Napa County in July 2001. Before it became an independent organization in July 2008, NVTa had been part of the County of Napa.

As a Joint Powers Agency made up of the Cities of Calistoga, St. Helena, Napa, and American Canyon, the County of Napa, and the Town of Yountville, NVTa provides transit service in the member towns and cities and within unincorporated portions of the County. In addition, regional service is provided to Sonoma County; San Francisco Ferry terminal in the City of Vallejo; BART station in the City of El Cerrito; Solano County in Fairfield; and Capitol Corridor in Suisun City. All of NVTa's services are contracted to Transdev, including general management, fixed-route operations, and ADA complementary paratransit services. The service area population is approximately 136,000.

NVTa operates a variety of transit services under its marketing name, The Vine. It provides regular fixed-route service on eight routes in Napa, two commuter routes, three intercity routes, and demand-response service for the general public in Calistoga, Yountville, St. Helena, and American Canyon.

NVTa's services operate from 5:40 a.m. to 9:10 p.m. weekdays, 6:00 a.m. to 8:10 p.m. Saturdays, and 8:30 a.m. to 7:00 p.m. on Sundays. NVTa's ADA complementary paratransit service, Vine Go, operates during the same days and hours of service as the non-commuter fixed routes.

The basic adult fare on fixed-route service is \$1.60. A half fare of \$0.80 is offered to seniors 65 years or older, persons with disabilities, and persons with a Medicare card. The half fare is provided during all hours of operation.

NVTa has a fleet of 37 fixed-route vehicles, of which 32 are required for peak service. The fleet is a mix of heavy-duty 35- and 40-foot buses and medium-duty cutaways, and 21 vehicles have federal interest. NVTa has two cutaway buses each stationed in Calistoga, American Canyon, Yountville, and St. Helena. These vehicles are parked overnight in the communities they serve, but are maintained at the garages in Napa. NVTa also has a fleet of 13 vehicles operated by its contractor for ADA paratransit service, 4 of which were funded by FTA.

NVTa's administrative offices are located in downtown Napa at 625 Burnell Street. Service operates from NVTa's maintenance facility at 720 Jackson Street in Napa, which is leased from the City of Napa for one dollar per year. NVTa's multimodal Soscol Gateway Transit Center is also located at 625 Burnell Street in Napa. In addition, NVTa has three park and rides: Redwood Park and Ride at 3416 Solano Avenue, Napa; the Town of Yountville Park and Ride at 7900 Solano Avenue, Yountville; and the American Canyon Park and Ride at 300 Crawford Way, American Canyon. The administrative office, Soscol Gateway Transit Center, and Redwood Park and Ride have federal interest.

2. Award and Project Activity

Below is a list of the NVRTA's open awards at the time of the review.

Award Number	Award Amount	Year Executed	Description
CA-90-Y927-00	\$85,000	2011	2009 JARC Assistance
CA-95-X290-00	\$196,794	2014	CBTP and Bus Stop Enhancements
CA-2016-014-00	\$3,355,019	2016	FY15 and FY16 Transit Operating Assistance and Safety Enhancements Program
CA-2017-061-00	\$91,757	2017	NVRTA Priority Signalization Interconnection on State Route 29
CA-2018-032-00	\$1,063,814	2018	FY2017 Capital Program and Transit Assistance
CA-2018-103-00	\$1,092,250	2018	NVRTA-Vine Transit Zero Emission Bus (ZEB) Project
CA-2018-140-00	\$2,453,431	2018	FY2018 Transit Operating Assistance and Capital Program
CA-2019-024-00	\$507,131	2019	Imola Avenue and SR-29 Express Bus Improvements

Projects Completed

During the review period, NVRTA completed the following noteworthy projects:

- Installed automated passenger counters on all fixed-route buses
- Purchased 9 heavy-duty buses and 3 cutaways
- Implemented a Computer Aided Dispatch/Automatic Vehicle Locator (CAD/AVL) system, which included a vehicle surveillance system and real time mobile application for fixed-route service
- Developed "RideTheVine" mobile applications for community shuttle demand response services.

Ongoing Projects

NVRTA is currently implementing the following noteworthy projects:

- Breaking ground by the end of 2019 to build a new Maintenance Facility
- Making transit corridor improvements along Imola Avenue in Napa and on State Route 29
- Implementing "Vine Vision," a series of transit service improvements and route restructuring.

Future Projects

NVRTA plans to pursue the following noteworthy project in the next three to five years:

- Replace fleet with fully electric vehicles.

IV. Results of the Review

1. Legal

Basic Requirement: The recipient must promptly notify the FTA of legal matters and additionally notify the U.S. DOT Office of Inspector General (OIG) of any instances relating to false claims under the False Claims Act or fraud. Recipients must comply with restrictions on lobbying requirements.

Finding: During this Triennial Review of the NVTa, no deficiencies were found with the FTA requirements for Legal.

2. Financial Management and Capacity

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

Finding: During this Triennial Review of the NVTa, a deficiency was found with the FTA requirements for Financial Management and Capacity.

ECHO draws not properly approved (F2-3)

The review of ECHO draws found that the approving official in the ECHO system, Ms. Kate Miller, was not approving ECHO draws before Mr. Antonio Onorato completed the draws. Rather, Mr. Onorato would have one of NVTa's accountants review and approve the ECHO draws and supporting documentation prior to completing the draws. Per FTA Circular 5010.1E – Award Management Requirements, the approving official designated on the ECHO payment request form must approve the draw or delegate that authority in writing to the person who approves the draw.

Corrective Action and Schedule: For the deficiency *ECHO draws not properly approved (F2-3)*, by January 29, 2020, NVTa must submit to the FTA regional office a process documenting that the approving official approves each ECHO request, or have the approving official delegate authority in writing to the person approving the requests. Prior to executing its next ECHO draw, NVTa must submit documentation to the regional office that the draw has been approved by the approving official or her designee. The recipient must also submit to the regional office documentation of training conducted of the appropriate staff on new policies and procedures.

3. Technical Capacity – Award Management

Basic Requirement: The recipient must report progress of projects in awards to the FTA timely.

Finding: During this Triennial Review of the NVTa, no deficiencies were found with the FTA requirements for Technical Capacity – Award Management.

4. Technical Capacity – Program Management and Subrecipient Oversight

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

During this Triennial Review of the NVTa, no deficiencies were found with the FTA requirements for Technical Capacity – Program Management and Subrecipient Oversight.

5. Technical Capacity – Project Management

Basic Requirement: The recipient must be able to implement FTA-funded projects in accordance with the award application, FTA Master Agreement, and all applicable laws and regulations, using sound management practices; and prepare force account plans.

Finding: During this Triennial Review of the NVTa, no deficiencies were found with the FTA requirements for Technical Capacity – Project Management.

6. Transit Asset Management

Basic Requirement: Recipients must comply with 49 CFR Part 625 to ensure public transportation providers develop and implement transit asset management (TAM) plans. Recipients' TAM plans must include an asset inventory, condition assessments of inventoried assets, and a prioritized list of investments to improve the state of good repair of their capital assets.

Finding: During this Triennial Review of the NVTa, no deficiencies were found with the FTA requirements for Transit Asset Management.

7. Satisfactory Continuing Control

Basic Requirement: The recipient must ensure that FTA-funded property will remain available to be used for its originally authorized purpose throughout its useful life until disposition.

Finding: During this Triennial Review of the NVTa, a deficiency was found with the FTA requirements for Satisfactory Continuing Control.

No evidence of physical inventory or reconciliation (SCC8-4)

NVTa conducts an annual physical inventory of its assets. However, it could not provide documentation that it had reconciled the results of its physical inventory with its equipment records. According to the Uniform Guidance in 2 CFR 200.313(d)(2), recipients must conduct a physical inventory of federally funded assets and the results reconciled with the records at least once every two years.

Corrective Action and Schedule: For the deficiency *No evidence of physical inventory or reconciliation (SCC8-4)*, by January 29, 2020, NVTa must submit to the FTA regional office evidence that it reconciled its physical inventory records, along with procedures for doing so.

8. Maintenance

Basic Requirement: Recipients must keep federally funded vehicles, equipment, and facilities in good operating condition. Recipients must keep ADA accessibility features on all vehicles, equipment, and facilities in good operating order.

Finding: During this Triennial Review of the NVTa, deficiencies were found with the FTA requirements for Maintenance.

No system of periodic inspections and preventive maintenance identified in facility or equipment maintenance plan (M1-4)

NVTa has a facility maintenance plan that describes a series of periodic inspections and preventive maintenance (PM), but no one in the agency is ensuring that those inspections and PMs are carried out. Furthermore, the plan does not appear to match the actual inspections and PMs that are being conducted. The reviewers asked to look at the inspection and PM records from the last 12 months for four facility components: the fire compression system, HVAC system, power doors, and elevator. The only inspection records NVTa could provide were for the HVAC system. It provided copies of invoices from service contractors for the remaining facility components, but these invoices did not demonstrate that an inspection and/or PM was conducted in accordance with NVTa's facility maintenance plan, as required in FTA Circular 5010.1E – Award Management Requirements and FTA C. 9030.1E - Urbanized Area Formula Program.

Corrective Action and Schedule: For the deficiency *No system of periodic inspections and preventive maintenance identified in facility or equipment maintenance plan (M1-4)*, by January 29, 2020, NVTa must submit to the FTA regional office a revised facility and equipment maintenance plan that identifies a system of periodic inspections and preventive maintenance performed at certain defined intervals for all facility components, based upon the manufacturers' recommendations. The plan must explain NVTa's process for ensuring that the periodic inspections and preventive maintenance are completed on time.

9. Procurement

Basic Requirement:

States: When procuring property and services under a Federal award, a state must follow the same policies and procedures it uses for procurements from its non-Federal funds. The state will comply with 2 CFR §200.322 (*Procurement of Recovered Materials*) and ensure that every purchase order or other contract includes any clauses required by section 2 CFR §200.326 (*Contract Provisions*). All other non-Federal entities, including subrecipients of a state, will follow 2 CFR §§200.318 (*General Procurement Standards*) through 200.326 (*Contract Provisions*).

Non-state recipients: The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, and conform to applicable Federal law and the standards identified in 2 CFR Part 200.

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

Finding: During this Triennial Review of the NVTa, deficiencies were found with the FTA requirements for Procurement.

Procurement policies and procedures not current/complete (P1-3)

NVTa's procurement policies, which are found in Chapter 5 in the "NVTa Policies, Practices and Procedures Manual," do not include all required elements, as dictated in 2 CFR Part 200 – Uniform Guidance. The following elements are missing from NVTa's procurement policies:

- Maintenance of contract oversight
- Avoidance of unnecessary or duplicative items
- Use of time and material contracts (or a statement that they are not allowed)
- Procedures for contract dispute resolution
- Sealed bid procedures
- Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms
- Bonding requirements for construction or facility improvement contracts
- Compliance with Buy America.

Furthermore, there are other issues with NVTa's procurement policy, including:

- It does not explain how employees are to implement federal rules and regulations; rather, it directs employees to FTA links
- The hyperlinks are out-of-date and precede the Uniform Guidance
- The pre-qualification process is not compliant with the Uniform Guidance
- The protest procedures must be updated to remove the right to appeal to FTA
- It is too vague regarding qualification-based procedures for A&E procurements and does not explain if the recipient follows the Brooks Act
- No process is in place to ensure that Transdev follows federal procurement regulations when the contractor conducts procurements on behalf of NVTa.

Corrective Action and Schedule: For the deficiency *Procurement policies and procedures not current/complete (P1-3)*, by January 29, 2020, NVTA must develop and submit to the FTA regional office revised procurement policies that include all required provisions and identify procedures that ensure compliance with 2 CFR 200.318 through 200.326. NVTA's revised procurement policies must include an oversight process to ensure that Transdev follows federal regulations when conducting procurements on behalf of NVTA.

Improper small purchase procedures used (P8-2)

During the review of procurement files, it was discovered that NVTA's operations contractor, Transdev, often conducts procurements on behalf of NVTA. During the review period, all the procurements conducted by Transdev were small purchases. Since NVTA reimburses Transdev for these small purchases and then draws down the cost in the ECHO system, these are federalized procurements. Yet, Transdev was not instructed to follow federal procurement regulations or document these small purchases, so NVTA could not demonstrate that the procurements completed by Transdev were compliant with 2 CFR Part 200.320 of the Uniform Guidance.

Corrective Action and Schedule: For the deficiency *Improper small purchase procedures used (P8-2)*, by January 29, 2020, NVTA must submit to the FTA regional office evidence that it has updated its procurement process to correctly implement small purchase procedures. For the next small purchase, submit to the FTA regional office documentation that the required process was implemented. NVTA's revised small purchase procedures must include an oversight process to ensure that Transdev follows federal regulations when conducting a small purchase on behalf of NVTA.

10. Disadvantaged Business Enterprise (DBE)

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

Finding: During this Triennial Review of the NVTA, deficiencies were found with the US DOT requirements for DBE.

Revisions to DBE program not made (DBE1-2)

On May 22, 2019, the FTA Regional Civil Rights Officer issued a concurrence letter to NVTA after reviewing its DBE program. NVTA was instructed to correct an issue in the DBE program before its next oversight review. NVTA was not aware that the concurrence letter instructed it to make the correction in its DBE program, so the program was not updated prior to the Triennial Review, as required in 49 CFR 26.21(b)(c).

Corrective Action and Schedule: For the deficiency *Revisions to DBE program not made (DBE1-2)*, by January 29, 2020, NVTA must revise its DBE program to incorporate the corrections prescribed in the FTA concurrence letter, dated May 22, 2019, from the FTA Regional Civil Rights Officer (RCRO). NVTA must submit its revised DBE program in TrAMS and notify the FTA Office of Civil Rights (TCR) once completed.

Unreported transit vehicle purchases (DBE11-1)

During the review period, NVTa purchased four revenue vehicles. The agency made this purchase in April 2019. However, since NVTa was not aware of the requirement to submit a Transit Vehicle Manufacturer (TVM) report on FTA's website, no report was submitted. Per 49 CFR 26.49 (a) (4), FTA recipients are required to submit within 30 days of making an award, the name of the successful bidder and the total dollar value of the contract, in the manner prescribed in the grant agreement.

Corrective Action and Schedule: For the deficiency *Unreported transit vehicle purchases (DBE11-1)*, by January 29, 2020, NVTa must submit to FTA TCR an implemented process to ensure that future awards of FTA-funded transit vehicle purchases are reported timely to the FTA Office of Civil Rights. NVTa must also submit a TVM report on FTA's website for the four revenue vehicles that were purchased in April 2019.

11. Title VI

Basic Requirement: The recipient must ensure that no person shall, on the grounds of race, color, or national origin, be excluded from participating in, or be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance without regard to whether specific projects or services are federally funded. The recipient must ensure that all transit services and related benefits are distributed in an equitable manner.

Finding: During this Triennial Review of the NVTa, no deficiencies were found with the FTA requirements for Title VI.

12. Americans With Disabilities Act (ADA) – General

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

Finding: During this Triennial Review of the NVTa, no deficiencies were found with the US DOT requirements for ADA – General.

13. ADA – Complementary Paratransit

Basic Requirement: Under 49 CFR 37.121(a), each public entity operating a fixed-route system shall provide paratransit or other special service to individuals with disabilities that is comparable to the level of service provided to individuals without disabilities who use the fixed-route system. "Comparability" is determined by 49 CFR 27.123-37.133. Requirements for complementary paratransit do not apply to commuter bus, commuter rail, or intercity rail systems.

Finding: During this Triennial Review of the NVTa, no deficiencies were found with the US DOT requirements for ADA – Complementary Paratransit.

14. Equal Employment Opportunity

Basic Requirement: The recipient 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: Equal Employment Opportunity Commission's regulation only identifies/recognizes religion and not creed as one of the protected groups.)

Finding: During this Triennial Review of the NVTA, a deficiency was found with the FTA requirements for Equal Employment Opportunity.

Insufficient oversight of contractor EEO Program (EEO5-1)

NVTA's operations contractor, Transdev, has more than 100 employees in service of the NVTA contract and therefore, is required to develop a full EEO Program. In June 2016, the NVTA Board of Directors approved Transdev's EEO Program. However, NVTA could not document that someone within the agency reviewed the program for compliance with the EEO Circular. Transdev's EEO Program is outdated and references a utilization analysis conducted in 2015. No one at NVTA is ensuring that Transdev follows its EEO Program, updates it every four years, and conducts a semi-annual narrative and statistical assessment and an annual utilization analysis, as required by FTA C. 4704.1A.

Corrective Action and Schedule: For the deficiency *Insufficient oversight of contractor EEO Program (EEO5-1)*, by January 29, 2020, NVTA must submit to FTA TCR documentation that it has received the EEO plan from Transdev and reviewed it for compliance with FTA C. 4704.1A. NVTA must provide a copy of Transdev's plan, if requested, by FTA TCR.

15. School Bus

Basic Requirement: Recipients are prohibited from providing school bus service in competition with private school bus operators 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.

Finding: During this Triennial Review of the NVTA, no deficiencies were found with the FTA requirements for School Bus.

16. Charter Bus

Basic Requirement: Recipients 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. Recipients are allowed to operate community-based charter services excepted under the regulations.

Finding: During this Triennial Review of the NVTa, no deficiencies were found with the FTA requirements for Charter Bus.

17. Drug-Free Workplace Act

Basic Requirement: Recipients are required to maintain a drug-free workplace for all award-related employees; report any convictions occurring in the workplace timely; and have an ongoing drug-free awareness program.

Finding: During this Triennial Review of the NVTa, no deficiencies were found with the FTA requirements for Drug-Free Workplace Act.

18. Drug and Alcohol Program

Basic Requirement: Recipients receiving Section 5307, 5309, 5311, or 5339 funds that have safety-sensitive employees must have a drug and alcohol testing program in place for such employees.

Finding: During this Triennial Review of the NVTa, no deficiencies were found with the FTA requirements for Drug and Alcohol Program.

19. Section 5307 Program Requirements

Basic Requirements: For fixed-route service supported with Section 5307 assistance, fares charged seniors, 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. Recipients 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. Recipients shall develop, publish, afford an opportunity for a public hearing on, and submit for approval, a program of projects (POP). Recipients must annually certify that they are spending at least one percent of such funds for transit security projects or that such expenditures for security systems are not necessary. Recipients must ensure that least one percent of such funds are expended on associated transit enhancement projects.

Finding: During this Triennial Review of the NVTa, no deficiencies were found with the FTA requirements for Section 5307 Program Requirements.

20. Section 5310 Program Requirements

Basic Requirement: Recipients must expend funds on eligible projects that meet the specific needs of seniors and individuals with disabilities. Projects selected for funding under the Section 5310 program must be included in a locally developed, coordinated public transit-human services transportation plan. Recipients must approve all leases of Section 5310-funded vehicles and ensure that leases include required terms and conditions. Either the recipient or subrecipient must hold title to the leased vehicles.

This section only applies to recipients that receive Section 5310 funds directly from FTA; therefore, the requirements are not applicable to the review of the NVTA.

21. Section 5311 Program Requirements

Basic Requirement: Recipients must expend funds on eligible projects to support rural public transportation services and intercity bus transportation.

This section only applies to recipients that receive Section 5311 funds directly from FTA; therefore, the requirements are not applicable to the review of the NVTA.

V. Summary of Findings

Review Area	Finding	Deficiency Code(s)	Corrective Action	Response Due Date	Date Closed
1. Legal	ND				
2. Financial Management and Capacity	D	F2-3: ECHO draws not properly approved	NVTA must submit to the FTA regional office a process documenting that the approving official approves each ECHO request or have the approving official delegate authority in writing to the person approving the requests. Prior to executing its next ECHO draw, NVTA must submit documentation to the regional office that the draw has been approved by the approving official or her designee. The recipient must also submit to the regional office documentation of training conducted of the appropriate staff on new policies and procedures.	January 29, 2020	
3. Technical Capacity – Award Management	ND				
4. Technical Capacity – Program Management and Subrecipient Oversight	ND				
5. Technical Capacity – Project Management	ND				
6. Transit Asset Management	ND				
7. Satisfactory Continuing Control	D	SCC8-4: No evidence of physical inventory or reconciliation	NVTA must submit to the FTA regional office evidence that it reconciled its physical inventory records, along with procedures for doing so.	January 29, 2020	
8. Maintenance	D	M1-4: No system of periodic inspections and preventive maintenance identified in facility or equipment maintenance plan	NVTA must submit to the FTA regional office a revised facility and equipment maintenance plan that identifies a system of periodic inspections and preventive maintenance performed at certain defined intervals for all facility components, based upon the manufacturers' recommendations. The plan must explain NVTA's process for ensuring that the periodic inspections and preventive maintenance are completed on time.	January 29, 2020	

Review Area	Finding	Deficiency Code(s)	Corrective Action	Response Due Date	Date Closed
9. Procurement	D	P1-3: Procurement policies and procedures not current/complete	NVTA must develop and submit to the FTA regional office revised procurement policies that include all required provisions and identify procedures that ensure compliance with 2 CFR 200.318 through 200.326. NVTA's revised procurement policies must include an oversight process to ensure that Transdev follows federal regulations when conducting procurements on behalf of NVTA.	January 29, 2020	
	D	P8-2: Improper small purchase procedures used	NVTA must submit to the FTA regional office evidence that it has updated its procurement process to correctly implement small purchase procedures. For the next small purchase, submit to the FTA regional office documentation that the required process was implemented. NVTA's revised small purchase procedures must include an oversight process to ensure that Transdev follows federal regulations when conducting a small purchase on behalf of NVTA.	January 29, 2020	
10. Disadvantaged Business Enterprise	D	DBE1-2: Revisions to DBE program not made	NVTA must revise its DBE program to incorporate the corrections prescribed in the FTA concurrence letter, dated May 22, 2019, from the FTA Regional Civil Rights Officer (RCRO). NVTA must submit its revised DBE program in TrAMS and notify the FTA Office of Civil Rights (TCR) once completed.	January 29, 2020	
	D	DBE11-1: Unreported transit vehicle purchases	NVTA must submit to FTA TCR an implemented process to ensure that future awards of FTA-funded transit vehicle purchases are reported timely to the FTA Office of Civil Rights. NVTA must also submit a TVM report on FTA's website for the four revenue vehicles that were purchased in April 2019.	January 29, 2020	
11. Title VI	ND				

Review Area	Finding	Deficiency Code(s)	Corrective Action	Response Due Date	Date Closed
12. Americans With Disabilities Act (ADA) - General	ND				
13. ADA – Complementary Paratransit	ND				
14. Equal Employment Opportunity	D	EEO5-1: Insufficient oversight of contractor EEO Program	NVTA must submit to FTA TCR documentation that it has received the EEO plan from Transdev and reviewed it for compliance with FTA C. 4704.1A. NVTA must provide a copy of Transdev's plan, if requested, by FTA TCR.	January 29, 2020	
15. School Bus	ND				
16. Charter Bus	ND				
17. Drug-Free Workplace Act	ND				
18. Drug and Alcohol Program	ND				
19. Section 5307 Program Requirements	ND				
20. Section 5310 Program Requirements	NA				
21. Section 5311 Program Requirements	NA				

VI. Attendees

Name	Title	Phone Number	E-mail Address
<i>Napa Valley Transportation Authority</i>			
Kate Miller	Executive Director	707-259-8631	kmiller@nvta.ca.gov
Antonio Onorato	Director of Administration, Finance, and Policy	707-259-8779	aonorato@nvta.ca.gov
Matthew Wilcox	Public Transit Manager	707-259-8635	mwilcox@nvta.ca.gov
Karrie Sanderlin	Administration and Human Resources Manager	707-259-8633	ksanderlin@nvta.ca.gov
Reneé Y. Kulick	Senior Administrative Technician	707-259-8780	rkulick@nvta.ca.gov
<i>Contractor - Transdev</i>			
Cheryl D. Drake	General Manager	707-253-4942	cheryl.drake@transdev.com
David Barkoski	Safety and Training Manager	707-251-1095	david.barkoski@transdev.com
Ken Schwarzbach	Maintenance Manager	707-251-1098	kenneth.schwarzbach@transdev.com
<i>FTA (via telephone)</i>			
Audrey Bredehoft	Senior Financial Analyst	415-734-9453	audrey.bredehoft@dot.gov
Philoki Barros	Transportation Program Specialist	415-734-9452	philoki.barros@dot.gov
Lynette Little	Regional Civil Rights Officer	415-734-9464	lynette.little@dot.gov
Giusseppe Dizon	Program Management Specialist	415-734-9482	giuseppe.dizon@dot.gov
<i>Qi Tech, LLC</i>			
Gwen Larson	Lead Reviewer	920-746-4595	gwen_larson@qitechllc.com
Michael Warren	Associate Reviewer	414-292-5267	michael_warren@qitechllc.com

VII. Appendices

Civil Rights Corrective Action Procedures:

Please submit Corrective Actions for all Civil Rights deficiencies to the following email address:

region9civilrights@dot.gov

- A separate email should be sent to address each deficiency separately with attached supporting documentation
- Email Subject Line: TR FY19 Corrective Action: Recipient Name/ID, Deficiency Code #, and Deficiency Title

Example: TR FY19 Corrective Action: NVTA/5001, DBE1-2: Revisions to DBE program not made

- The body of the email should contain a short summary of the corrective action.
- Supporting documents should be sent as PDF files. No MS Word or Excel spreadsheets.

September 26, 2019

Mr. Edward Carranza, Jr.
Acting Director, Office of Financial Management
and Program Oversight
Federal Transit Administration
90 Seventh Street, Suite 15-300
San Francisco, CA 94103-6701

RE: Napa Valley Transportation Authority (NVTA) 2019 Triennial Review

Dear Acting Director Carranza,

We appreciate the time and effort of your staff and consultants during NVTA's recent triennial review. We are responding to the letter dated September 19, 2019 summarizing the findings in the review performed by Gwen Larson of Qi Tech, LLC on behalf of your office.

2. Financial Management and Capacity

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

Finding: During this Triennial Review of the NVTA, a deficiency was found:

- ***ECHO draws not properly approved (F2-3)***

The review of ECHO draws found that the approving official in the ECHO system, Ms. Kate Miller, was not approving ECHO draws before Mr. Antonio Onorato completed the draws. Rather, Mr. Onorato would have one of NVTA's accountants review and approve the ECHO draws and supporting documentation prior to completing the draws. Per FTA Circular 5010.1E - Award Management Requirements, the approving official designated on the ECHO payment request form must approve the draw or delegate that authority in writing to the person who approves the draw.

Management Response: NVTA concurs. NVTA will submit to the FTA regional office a process documenting that the Executive Director approves each ECHO request, or the Executive Director will delegate authority in writing to the person completing the ECHO drawdown. Prior to executing its next ECHO draw, NVTA will submit documentation to the regional office that the approving official or designee has approved the draw. Staff will also submit to the regional office documentation of training conducted of the appropriate staff on new policies and procedures.

7. Satisfactory Continuing Control

Basic Requirement: The recipient must ensure that FTA-funded property will remain available to be used for its originally authorized purpose throughout its useful life until disposition.

Finding: During this Triennial Review of the NVRTA, a deficiency was found:

- **No evidence of physical inventory or reconciliation (SCCS-4)**

NVRTA conducts an annual physical inventory of its assets. However, it could not provide documentation that it had reconciled the results of its physical inventory with its equipment records. According to the Uniform Guidance in 2 CFR 200.313(d)(2), recipients must conduct a physical inventory of federally funded assets and the results reconciled with the records at least once every two years.

Management Response: NVRTA concurs. NVRTA conducts an annual physical inventory of its assets and reconciles to the financial statements. However, the Agency does not typically provide a written statement that the two tasks have been reconciled. Going forward, NVRTA will provide documentation that it reconciled the results of its physical inventory with its equipment records according to the Uniform Guidance in 2 CFR 200.313(d)(2).

9. Procurement

Basic Requirement for Non-state recipients: The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, and conform to applicable Federal law and the standards identified in 2 CFR Part 200.

Where FTA funds are used in procurements for services or supplies, or where FTA-funded facilities or assets are used in revenue contracts, FTA Circular 4220.IF applies. FTA funds, even operating assistance, can be segregated from local funds. FTA Circular 4220. I does not apply to wholly locally-funded capital procurements.

Finding: During this Triennial Review, deficiencies were found.

- **Procurement policies and procedures not current/complete (PI-3)**

NVRTA's procurement policies, which are found in Chapter 5 in the "NVRTA Policies, Practices and Procedures Manual," do not include all required elements, as dictated in 2 CFR Part 200- Uniform Guidance. The following elements are missing from NVRTA's procurement policies:

- Maintenance of contract oversight
- Avoidance of unnecessary or duplicative items
- Use of time and material contracts (or a statement that they are not allowed)
- Procedures for contract dispute resolution
- Sealed bid procedures
- Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms
- Bonding requirements for construction or facility improvement contracts
- Compliance with Buy America.

Furthermore, there are other issues with NVRTA's procurement policy, including:

- It does not explain how employees are to implement federal rules and regulations; rather, it directs employees to FTA links
- The hyperlinks are out-of-date and precede the Uniform Guidance
- The pre-qualification process is not compliant with the Uniform Guidance

- The protest procedures must be updated to remove the right to appeal to FTA
- It is too vague regarding qualification-based procedures for A&E procurements and does not explain if the recipient follows the Brooks Act
- No process is in place to ensure that Transdev follows federal procurement regulations when the contractor conducts procurements on behalf of NVTA.

Management Response: NVTA will update and submit to the FTA regional office revised procurement policies that include all required provisions and identify procedures that ensure compliance with 2 CFR 200.318 through 200.326. NVTA's revised procurement policies will include an oversight process to ensure that Transdev follows federal regulations when conducting procurements on behalf of NVTA.

- ***Improper small purchase procedures used (P8-2)***

During the review of procurement files, it was discovered that NVTA's operations contractor, Transdev, often conducts procurements on behalf of NVTA. During the review period, all the procurements conducted by Transdev were small purchases. Since NVTA reimburses Transdev for these small purchases and then draws down the cost in the ECHO system, these are federalized procurements. Yet, Transdev was not instructed to follow federal procurement regulations or document these small purchases, so NVTA could not demonstrate that the procurements completed by Transdev were compliant with 2 CFR Part 200.320 of the Uniform Guidance.

Management Response: NVTA will submit to the FTA regional office evidence that it has updated its procurement process to correctly implement small purchase procedures. NVTA's revised small purchase procedures will include an oversight process to ensure that Transdev follows federal regulations when conducting a small purchase on behalf of NVTA.

10. Disadvantage Business Enterprise

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

Finding: During this Triennial Review of the NVTA, deficiencies were found:

- ***Revisions to DBE program not made (DBEJ-2)***

On May 22, 2019, the FTA Regional Civil Rights Officer issued a concurrence letter to NVTA after reviewing its DBE program. NVTA was instructed to correct an issue in the DBE program before its next oversight review. NVTA was not aware that the concurrence letter instructed it to make the correction in its DBE program, so the program was not updated prior to the Triennial Review, as required in 49 CFR 26.21(b)(c).

Management Response: NVTA will revise its DBE program to incorporate the corrections prescribed in the FTA concurrence letter, dated May 22, 2019, from the FTA Regional Civil Rights Officer (RCRO). NVTA will submit its revised DBE program in TrAMS and notify the FTA Office of Civil Rights once completed.

- ***Unreported transit vehicle purchases (DBEJJ-1)***

During the review period, NVTA purchased four revenue vehicles. The agency made this purchase in April 2019. However, since NVTA was not aware of the requirement to submit a Transit Vehicle Manufacturer (TVM) report on FTA's website, no report was submitted. Per 49 CFR 26.49 (a) (4), FTA recipients are required to submit within 30 days of making an award, the name of the successful bidder and the total dollar value of the contract, in the manner prescribed in the grant agreement.

Management Response: NVTA will submit to FTA a process that ensures that future FTA transit vehicle purchases are reported timely to the FTA Office of Civil Rights. NVTA will also submit a TVM report on FTA's website for the four revenue vehicles that were purchased in April 2019.

14. Equal Employment Opportunity

Basic Requirement: The recipient 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: Equal Employment Opportunity Commission's regulation only identifies/recognizes religion and not creed as one of the protected groups.)

Finding: During this Triennial Review of the NVTA, a deficiency was found:

- ***Insufficient oversight of contractor EEO Program (EEOS-1)***

NVTA's operations contractor, Transdev, has more than 100 employees in service of the NVTA contract and therefore, is required to develop a full EEO Program. In June 2016, the NVTA Board of Directors approved Transdev's EEO Program. However, NVTA could not document that someone within the agency reviewed the program for compliance with the EEO Circular. Transdev's EEO Program is outdated and references a utilization analysis conducted in 2015. No one at NVTA is ensuring that Transdev follows its EEO Program, updates it every four years, and conducts a semi-annual narrative and statistical assessment and an annual utilization analysis, as required by FTA C. 4704.1A.

Management Response: NVTA will submit to FTA Office of Civil Rights documentation that it has received the EEO plan from Transdev and reviewed it for compliance with FTA C. 4704.1A.

We look forward to our continued collaboration and mutually beneficial relationship with FTA.

Sincerely,



Kate Miller
Executive Director

cc: Audrey Bredehoft/FTA Region IX
Gwen Larson/Qi Tech LLC