THE

NORTH CAROLINA

DEPARTMENT OF TRANSPORTATION

INTEGRATED MOBILITY DIVISION



5310 Compliance Review (CR)

*A Review of Regulatory Compliance, Technical Skills Capacity &*

*Management Proficiency of Federal and North Carolina State Funded Transit Subrecipients*

CY2025 – WORKBOOK

Integrated Mobility Division (IMD) Subrecipient Non-Profit Organizations receiving Section 5310 Funds



Non-Profit Organization Information

|  |  |  |
| --- | --- | --- |
|  | **Subrecipient:** |       |
|  |  Address: |       |
|  |  Phone No. (include area code) |       |
|  |  Fax: |       |
|  |  Website: |       |
|  | **Contact Person:** |       |
|  |  Phone No. (include area code) |       |
|  |  Email: |       |
|  | **Contract Service Provider(s):** |       |
|  |  Contact(s) Name: |       |
|  | Type Service Provider  | [ ]  Governmental Entity [ ]  Transit Agency[ ]  Private for-Profit Entity  |
|  |  Phone No. (include area code) |       |
|  |  Email: |       |
|  | **Organizational Structure:** |  |
|  |  Non-Profit  | [ ]   |
|  |  Other (Fill in the Blank) | [ ]   |
|  | **Consulting Firm**: |       |
|  | * Reviewer:
 |       |
|  | * Reviewer:
 |       |
|  | **Federal/State Funding Received since the last review (check all that apply)** | [ ]  5310 capital funds [ ]  5310 mobility management funds  |
|  | **Review Dates:** |  |
|  | * Desk Review Dates:
 |       |
|  | * Onsite/Virtual Date(s):
 |       |
|  | * Onsite/Virtual Date(s):
 |       |
|  | * Onsite/Virtual Date(s):
 |       |
|  | * Onsite/Virtual Date(s):
 |       |
|  | * Onsite/Virtual Date(s):
 |       |
|  | **Review Period:** |  |
|  | * From:
 |       |
|  | * To:
 |       |
|  | **Draft Compliance Report Date:** |       |

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OVERVIEW

North Carolina General Statute 136-44.20 gives the North Carolina Department of Transportation (NCDOT), Integrated Mobility Division (IMD) the authority to administer federal and state public transportation funding programs.

The NCDOT/IMD has contracted for consultant services to perform proficiency reviews of its Federal Transit Administration (FTA) Section 5310 programs subrecipients. The review will be conducted on-site and/or virtually following a desk review.

This review process and workbook is intended for subrecipient non-profit organizations who receive funds under the federal Section 5310 program.

The review is to ensure that subrecipient non-profit organizations are able to manage the FTA funded programs in accordance with the grant application, the grant agreement, and the FTA approved State Management Plan and all applicable laws and regulations using sound management practices. The review is intended to look behind the signed certifications and assurances submitted by grant subrecipients to ensure that subrecipients are adhering to all statutory and program requirements when expending federal and/or state funds on local projects.

The IMD is using this compliance Workbook which contains a questionnaire to be completed by the subrecipient non-profit organization and a list of information and materials to be submitted to the consultants prior to the on-site/virtual review.

The overall compliance review process involves the following steps:

* **Conduct the Desk Review** – Review consultants and IMD conduct desk reviews of the documentation that subrecipients have provided to IMD (applications, reports, requests for reimbursements) and discuss specific issues regarding the subrecipient.
* **Schedule the On-Site /Virtual Visit**– While the desk review is being conducted, the review consultants coordinate with the Safety, Education and Compliance section at IMD and subrecipients to make arrangements for the on-site or virtual visit. Approximately 4-6 weeks prior to the on-site/virtual visit, subrecipients are contacted to schedule a date for the visit This is followed up with a letter that confirms the visit date, explains the purpose of the visit, and outlines the day’s agenda and transmits the Workbook. Subrecipients are asked to complete their portion of the Workbook to be returned to the consultants at least two weeks before the review. As indicated below, the subrecipients also are asked to send some additional information to the review team in advance. On this schedule, subrecipients have two-four weeks to prepare and submit the information to the review consultants.
* **Review Workbook and Prepare for On-Site/Virtual Visit –** Prior to the visit, the review consultants use the completed Workbook and other materials submitted by the subrecipients to identify areas that need to be addressed during the on-site/virtual visit.
* **Conduct On-Site/Virtual Visit** - Site visits generally require one day on-site (but may span multiple days if virtual). A typical site review will include:
	+ **Entrance Conference with the Non-Profit manager and key staff**
	+ **Review of Each Area**
	+ **Resolving as Many Remaining Questions as Possible**
	+ **Exit Interview**
* **Compliance Review (CR) Site Report –** A CR site report is prepared that includes findings, corrective actions needed and a timeframe for submission of the corrective actions to IMD.
* **Corrective Actions –** Subrecipients are given a specific timeframe (30-90 days) to correct deficiencies and to submit documentation to the Safety, Education and Compliance section at IMD that verifies corrective actions taken.
* **Close Out Letter –**Subrecipients will receive a letter once all corrective actions are complete and closed out by IMD.

Please refer to IMD’s *Business Guide – Section 1400 -Oversight and Monitoring* for details on state oversight requirements.

# REVIEW DOCUMENTS

IN ADDITION to completing the questionnaire the subrecipient non-profit organization must remit or have available onsite the following information as indicated below.

|  |
| --- |
| Note: Electronic submission of requested information is preferred. The Workbook is being provided to you in Word format so you can record answers directly into the Workbook. The documents that you need to send to the Consultant review team in advance of the site visit are listed below. Electronic submission of the entire completed workbook and requested documents are required by uploading it to your folder in SmartSheet.If you have questions on data submission (technical or otherwise) you can contact IMD either Kevin Edwards (919-707-4695) or Blair Chambers (919-707-4693).  |

|  |
| --- |
| **FINANCIAL MANAGEMENT AND CAPACITY** |
|  | Written financial management procedures (required) |
|  | Accounting policy and procedures manual (required) |
|  | Current budget approved by the Board (required) |
| **TECHNICAL CAPACITY** |
|  | Organization chart that shows the staff as well as reporting relationship to the Board |
| 2. | Written grant management procedures, if available |
| **TITLE VI** |
|  | Title VI Program Document (including, for grantees with for fixed route services, fixed route service standards and policies) (required) |
|  | Title VI notices to the public and printed materials for the public that include these Title VI notices (required) |
|  | LEP Assessment  |
|  | Title VI Complaint Process and list of complaints, with their resolution |
| **PROCUREMENT** |
|  | Procurement Policy and Procedures and Adopting resolution (required) |
|  | Code of conduct governing procurements, if separate from Procurement Policy (required) |
|  | Third Party Contracts for provision of transit services*Review every agreement if multiple agreements in place* |
| **LEGAL** |
| 1. | Articles of incorporation, Declaration of Authority (G.S. 160A, Article 25, 26, or 27), an ordinance or order(s), if not a part of City or County government |
| **General Planning, Coordination, and Other Service Requirements** |
| 2. | Service policies and procedures manual, if available |
| 3. | Complaint resolution procedures *(Non-Civil Rights Related)* |
| 4. | Marketing Plan, if available |
| 5. | Printed general public marketing materials (schedules, brochures, newspaper ads, etc.)  |

|  |  |
| --- | --- |
| Non-Profit Organization Name:       |  Date:       |

Note: Review Team members should also sign-in

Site/Virtual Visit

# ATTENDANCE SHEET

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Name | Title | Organization | Phone | Email |
| 1 |       |       |       |       |       |
| 2 |       |       |       |       |       |
| 3 |       |       |       |       |       |
| 4 |       |       |       |       |       |
| 5 |       |       |       |       |       |
| 6 |       |       |       |       |       |
| 7 |       |       |       |       |       |
| 8 |       |       |       |       |       |
| 9 |       |       |       |       |       |
| 10 |       |       |       |       |       |
| 11 |       |       |       |       |       |
| 12 |       |       |       |       |       |
| 13 |       |       |       |       |       |
| 14 |       |       |       |       |       |
| 15 |       |       |       |       |       |
| 16 |       |       |       |       |       |
| 17 |       |       |       |       |       |
| 18 |       |       |       |       |       |
| 19 |       |       |       |       |       |
| 20 |       |       |       |       |       |

**Compliance Review**



# QUESTIONNAIRE

LEGAL NAME OF SUBRECIPIENT NON-PROFIT ORGANIZATION:

LOCATION:



Instructions and Information

⮊ All questions contained in the workbook must be answered.

⮊ Responder should answer questions as completely as necessary for the Reviewer to make an assessment.

⮊ Responder may use N/A if the question is not applicable to their organization.

⮊ Read the narrative descriptions for each review category prior to answering the questions.

**⮊** Questions regarding the Workbook may be directed to your assigned Review Team.

**⮊** Electronic submission of requested information is required. The Workbook is provided as a Word document so you can record your answers directly into the Workbook.

You are requested to complete the Compliance Review Workbook you can download from your folder in Smartsheet. The Workbook includes both 1) a list of materials your organization is to provide in advance of the review team visit and 2) a survey your agency is to complete. Electronic submission of the entire completed Workbook and requested documents are required by uploading them to your folder in SmartSheet. If you have any questions on how to do this or need assistance, please contact either Kevin Edwards (919-707-4695/ kbedwards2@ncdot.gov) or Blair Chambers (919-707-4693/tbchambers@ncdot.gov).

# 1. FINANCIAL MANAGEMENT AND CAPACITY

Subrecipient non-profit organizations must have sufficient local resources to provide any required match and carry out the proposed project. As part of the grant application process, subrecipients certify that required local funds will be available as of the beginning of the fiscal year/grant period.

Subrecipients must also have the financial management systems to account for and report on FTA and state grant assistance. Subrecipients must practice sound financial management practices and conduct an annual independent audit in accordance with the provisions of “Super Circular” – 2CFR200. Financial records must be retained for at least five years after the grant is complete; records for real property and equipment acquired with Federal/state funds must be retained for five years after final disposition of the property.

Areas of financial capacity and management that are reviewed include:

* Financial capacity
* Funds management/grant accounting
* Audit/oversight reports
* Budget controls

|  |
| --- |
| Funds Management – Accounting Systems and Policies **Please submit 1-3 example claims from the review period to SmartSheet as you would typically send to NCDOT IMD****Please submit annual audits from the review period to SmartSheet as you would typically send to NCDOT IMD**  |
| **QUESTION** | **RESPONSE** | **OBSERVATION** |
| 1. What is the subrecipient non-profits current financial status? Does it have a multi-year financial plan? (Please provide if available)
 |       |       |
| 1. Please confirm the sources of local funding for 5310 match funding (if required)

***REVIEWER****: List the sources of local funding from the application.* | **Source** | **Amount per Application** | **Actual Amount** |
|       |       |       |
|       |       |       |
|       |       |       |
|       |       |       |
| 1. Are the sources of local funding sufficient to provide the local match if required?
 |       |       |
| 1. Does the agency maintain an up-to-date accounting policies and procedures manual that covers accounting the budget process, procurement, retention of records, reporting requirements, requirements, and schedules for audits?
 |       |       |

|  |  |  |
| --- | --- | --- |
| **QUESTION** | **RESPONSE** | **OBSERVATION** |
| 1. Does the agency maintain an up-to-date accounting policies and procedures manual that covers accounting the budget process, procurement, retention of records, reporting requirements, requirements, and schedules for audits?
 |       |       |
| 1. Is the information generated from the system’s accounting software sufficient to support expenditures to grants?
 |       |       |
| 1. Does the subrecipient use the UPTAS chart of accounts?
 |       |       |
| 1. Are the financial records being kept in accordance with Generally Accepted Accounting Principles (GAAP)?

***REQUIREMENT:*** *Subrecipients must maintain financial reports in accordance with GAAP principles.*  |       |       |

|  |
| --- |
| Funds Management - Grant Invoicing and Accounting |
| **QUESTION** | **RESPONSE** | **OBSERVATION** |
| 1. Are grant expenditures tracked reviewed, and billed at least on a quarterly basis? Has the non-profit been requesting reimbursement from NCDOT at least quarterly and are invoices submitted within 30 days (90 days for the final period) after the period for which the system is claiming reimbursement?

***NOTE****: Subrecipients must submit invoices at least quarterly with applicable supporting documentation.*  |       |       |
| 1. Is there a system in place for tracking encumbrances of grant expenditures? Do procedures address tracking grant budgets by activity line item and address process to reconcile discrepancies?
 |       |       |
| 1. Is required supporting documentation included in grant management files?

***REVIEWER****: Check guide provided by IMD for required documentation.* |       |       |
| 1. Do the financial management systems adequately account for expenses and revenues by grant/project? Are accounting policies and procedures manually maintained? If yes, does the policy include written procedures for retention of records, reporting requirements and schedule for audits?
 |       |       |
| 1. Are you and your Board members aware of any ineligible expenses as defined in the corresponding OMB Circulars?
 |       |       |

|  |
| --- |
| Audits |
| **QUESTION** | **RESPONSE** | **OBSERVATION** |
| 1. When was the date of your last Audit? For non-governmental entities, when was it submitted to IMD?
 |       |       |
| 1. Did the transit agency receive over $750,000 in federal funds annually during the review period? If so, was a single audit conducted?
 |       |       |
| ***REQUIREMENT:*** *All subrecipients regardless of type are required to submit their Annual Audit directly to IMD within 9 months after the close of their fiscal year.*  *As a condition of their grant funding, public subrecipients (governmental entities) must also submit their Audits to the Local Government Commission (LGC). Note that federal rules only require an audit if the subrecipient received over $750,000 in federal funds (2CFR200.501), however IMD requires an audit from all grantees* |       |       |

|  |
| --- |
| 1. Please provide a listing of AUDIT findings below. Indicate corrective actions that have been implemented and whether there are any unresolved compliance issues in the audits conducted during the audit period.
 |
|  |
|  | **Finding** | **Date Corrective Action Implemented** | **Comments** |
|  |       |       |       |
|  |       |       |       |

|  |  |  |
| --- | --- | --- |
| Budget Controls*For line-Item Code G-611 – Direct Purchase of Service (Private) or G-641 Direct Purchase of Service (Public)* |  |  |
| **QUESTION** | **RESPONSE** | **OBSERVATION** |
| 1. Are there written budget procedures?
 |       |       |
| * Please describe the process used to develop the budget.
 |       |       |
| * Who is responsible for developing the budget?
 |       |       |
| * Are the goals, objectives and targets approved by the Board used to guide the development of the budget?
 |       |       |
| 1. Are reports showing actual expenses versus budgeted expenses reviewed on a monthly basis to prevent budget overruns? How often?
 |       |       |
| * Who performs the comparisons?
 |       |       |
| 1. Does the Board approve the budget?

***REVIEWER:*** *Check minutes where budget approval took place.* |       |       |
| * Is the budget prepared in sufficient time to allow full review and interaction by the Board?
 |       |       |
| * Is the Board provided a budget with sufficient detail to make decisions about the allocation of program resources?
 |       |       |
| 1. Is the contract balance monitored on a monthly basis?
 |       |       |
| * Do you know your grant balances?
 |       |       |
| 1. Are financial records retained for at least Five years after audit?

***requirement*** *- Subrecipients must maintain financial records for at least five years after the fiscal year contract has been audited.* |       |       |

# 2.TECHNICAL CAPACITY

*Subrecipients must be able to implement FTA and NCDOT funded projects using sound management practices and in accordance with FTA and NCDOT requirements.*

**Project Management/Grant Administration** includes the ability of subrecipients to administer the grant program and to report status and progress to NCDOT. Areas reviewed under grant management include:

* Grants Management
* Reporting

## Grant Management

Subrecipients must have the technical capacity to manage grants, and comply with federal and state requirements, using sound management practices. To demonstrate technical capacity, subrecipients must have an adequate number of staff (who possess the necessary knowledge, skills and abilities) and maintain adequate documentation of key policies.

|  |  |  |
| --- | --- | --- |
| **QUESTION** | **RESPONSE** | **OBSERVATION** |
| Grant Administration |
| 1. Does the non-profit have written grant management procedures?
 |       |       |
| 1. Explain procedures for managing the FTA and state grants. How are various grant administration functions performed, including:
* Grant application
* Budget preparation
* Financial management/invoicing
* Procurement
 |       |       |
| 1. Please describe your staffing and the responsibilities of key staff.

***REVIEWER:*** *Use the organization chart for the system.*  |       |       |
| 1. Are there clear lines of authority and responsibility for grant administration and for preparing required reports? Explain.
 |       |       |
| 1. Who is the designated “back-up” person?
 |       |       |
| * Is the person familiar with program rules and regulations?
 |       |       |
| * Does that person attend IMD-sponsored meetings and training sessions?

If no, why not?***BEST PRACTICE*** *- IMD strongly recommends that back-up personnel be trained in the program rules and regulations. It is the responsibility of the recipient agency to ensure that training is provided to these individuals.* |       |       |
| 1. Do you contract with private operators or other agencies? If yes, please answer the following questions.
 |       |       |
| * Who is responsible for managing the contract?
 |       |       |
| * What procedures are used to ensure that quality service is provided?
 |       |       |
| * Was the executed purchase of service contract or agreement with the provider sent to and reviewed by IMD along with your first request for reimbursement in a Fiscal Year for the review period?
 |       |       |
| ***requirement*** *- IMD concurs in the procurement process prior to awarding service contracts. Subrecipients must have procedures for managing service contractors to ensure that quality service is provided.* |       |       |
| Open Grants |
| 1. Are procedures in place to complete projects and close out grants in a timely manner?
 |       |       |
| * + Are projects completed within the period of performance
 |       |       |
| * + Are any open grants inactive? Should these or any others be closed?
 |       |       |

## Reporting

The subrecipient non-profit must report accurate operating and financial information on the grants to NCDOT in a timely manner.

|  |  |  |
| --- | --- | --- |
| **QUESTION** | **RESPONSE** | **OBSERVATION** |
| 1. Who is responsible for preparing and submitting the reports?

***NOTE:*** *Include Employee Name and Title in response* |       |       |
| 1. If reports were not submitted on time, what are the reasons for the delay?
 |       |       |
| 1. Do you have document control and retention procedures? If yes, do they address:

***requirement*** *– record retention is addressed in the agreement (minimum of 5 years after audit complete)* |       |       |
| * Records filing and storage
 |       |       |
| * Naming, storing, and backing up electronic files
 |       |       |
| * Document security
 |       |       |
| * Document destruction
 |       |       |
| 1. Has management established procedures to prevent unauthorized access to, or destruction of, documents, records, and assets?
 |       |       |
| 1. Has management established policies for controlling access to computer programs and data files?
 |       |       |
| 1. Describe the procedures in place to ensure that terminated employees do not have access to documents, records, and assets?
 |       |       |
| 1. Are all records of all federal and state requirements readily available for inspection?
 |       |       |

# 3. TITLE VI-NONDISCRIMINATION IN THE DELIVERY OF SERVICE

*Subrecipients must ensure that no person is, on the grounds of race, color, or national origin, excluded from participating in, or denied the benefits of, or subject to discrimination under any program or activity receiving federal financial assistance.*

FTA and IMD prohibit discrimination on the grounds of race, color, or national origin, in the delivery of public transit services. FTA also prohibits discrimination on the grounds of low-income status. Title VI complaints must be reported to IMD within 24 hours of receipt of the complaint. Note that the minority representation on planning and advisory boards required under Title VI is reviewed in the section below on Governance.

Subrecipients are required to have a TVI Plan that includes all elements required by FTA. The TVI Plan must be adopted by the Governing Board and updated every three years. TVI Plans must be submitted to IMD and approved by NC Office of Civil Rights (OCR). During the Compliance Review, the reviewers will be looking at whether systems are following the provisions of the subrecipient’s most recent “approved” plan.

***Pandemic Flexibility Notes****: Emergency Service Cuts - Title VI equity analyses are not required under emergency service cuts and changes during COVID-19. However, FTA did expect that all transit agencies take reasonable measures to implement temporary service or fare changes equitably to prevent unintentional discrimination. FTA did not require a transit agency to document this process, get board approval prior to implementing changes, or share documentation on the changes with FTA, but FTA recommended that transit agencies document the rationale for specific service reductions, as well as steps taken to ensure equitable reductions in service, in the event someone files a complaint. Also under Title VI, FTA postponed the submission of all Title VI Programs with due dates during the pandemic until October 1, 2020*.

|  |  |  |
| --- | --- | --- |
| **QUESTION** | **RESPONSE** | **OBSERVATION** |
| 1. Who in your organization is responsible for Title VI Program – for ensuring that transit services are operated without discrimination on the basis of race, color or national origin?
 |       |       |
| 1. Do you have a Board-adopted TVI Plan? What is the date? Was it approved by NCDOT?

***REQUIREMENT:*** *Subrecipients must have Title VI Plans approved by their Boards and NCDOT and updated every three years.* |       |       |
| 1. Describe the mechanisms you use to analyze whether services and benefits are distributed in a non-discriminatory manner.
 |       |       |
| * + How are vehicles assigned to routes or manifests? Does the process ensure that assignments are made without regard to race, color, national origin, or income?
 |       |       |
| 1. How are individuals provided opportunities to participate in the transit planning and decision-making processes without regard to race, color, national origin, or income?
 |       |       |
| * Have representatives of these groups expressed a need for transportation improvements? If yes, please describe.
 |       |       |
| 1. What outreach efforts were undertaken to identify minority groups and low-income persons? How have you sought out and considered their viewpoints in the course of conducting public outreach and involvement activities?
 |       |       |
| 1. Do public information materials such as schedules, brochures, and your agency’s website notify beneficiaries of:
 |       |       |
| * Protection under Title VI?
 |       |       |
| * How to obtain additional information on nondiscrimination obligations?
 |       |       |
| * How to file a complaint?

***requirement****: Subrecipients must notify the public of its protections under Title VI, how to obtain additional information on nondiscrimination obligations, and how to file a complaint.*  |       |       |
| 1. Where is the notification to beneficiaries posted?

 ***requirement****: The notification may not be limited to a notice on the Subrecipient’s website. At a minimum, this information must be posted on each vehicle and in public passenger areas.* |       |       |
| 1. Do you have procedures for investigating, tracking, and documenting Title VI complaints? If yes, please describe.

***Requirement:*** *Subrecipients must have a written procedures for tracking Title VI complaints.* |       |       |
| 1. Have any complaints concerning discrimination in the delivery of service been received since the last review or last grant application?

If yes: |       |       |
| * How were the complaints identified and resolved?
 |       |       |
| * Did you report the complaints to IMD and the NCDOT Office of Civil Rights within 24 hours of receipt of the complaint?

***requirement****: Title VI complaints must be reported to NCDOT within 24 hours of receipt of the complaint.* |       |       |
| * Did you maintain a record of the complaints that includes:
 |  |  |
| * + The date of the complaint was filed?
 |       |       |
| * + A summary of the allegations?
 |       |       |
| * + The status of the investigation?
 |       |       |
| * + The actions taken in response to the complaint?
 |       |       |
| 1. Where is the employment poster (which includes Title VI as well as EEO)?

***requirement****: NCDOT requires Subrecipients to display the poster in a conspicuous place in the workplace.* |       |       |
| 1. Have you assessed and addressed the ability of persons with limited English proficiency (LEP) to use transit services? How?

***requirement****: Subrecipients must assess and address the ability of persons with limited English proficiency (LEP) to use transit services.* |       |       |
| 1. Have you identified any additional language assistance needs since the Division worked with you to develop the implementation plan for language assistance? If yes, please describe.
 |       |       |
| 1. Are schedules and other public information provided in languages other than English? If yes, what languages are provided?
 |       |       |
| 1. Has your staff been trained on the requirements of Title VI? Is the training provided periodically?
 |       |       |
| 1. Do the answers to the above questions indicate any disparate impacts or treatment on the basis of race, color, national origin, or income?
 |       |       |

# 4. PROCUREMENT

*All subrecipients must comply with the requirements and regulations of the FTA Circular 4220.1F, 2 CFR Part 200/1201 and the N.C.G.S. 143-129.*

When procuring supplies, equipment, or services using FTA funds, subrecipients can follow the same policies and procedures it uses for procurements with non-federal funds but must comply with the following statutory and administrative requirements:

* Conduct all procurements in a manner providing full and open competition
* Exclude the use of statutorily or administratively imposed in-state or local geographical preferences in the evaluation of bids or proposals except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference
* Do not enter into any contract for rolling stock with a period of performance exceeding five years inclusive of options without prior FTA approval
* Ensure that every purchase order and contract executed using Federal funds includes all applicable clauses required by Federal statutes and executive orders and their implementing regulations
* Use competitive proposal procedures based on the Brooks Act when contracting for architectural and engineering services if the state has not adopted a statute governing the procurement of such services
* Award to only responsible contractors processing the ability, willingness and integrity to perform successfully under the terms and conditions of the contract.
* Comply with Buy America, Debarments and Suspension, and Lobbying restrictions.

Most procurements involving construction, consultant services, transit operations, and various other items that are procured locally are required to be reviewed by the Division. IMD prior approval is required for all purchases over $10,000. Subrecipients must consult with IMD before starting procurements for contracted services and IMD must concur at several points during the process. Subrecipients must submit all formal procurements estimated to cost over $90,000 to the Division prior to bid.

Areas reviews under procurement include:

* Procurement Standards, Practices and History
* Debarment/Suspension
* Lobbying

General requirements in each of these areas are presented just prior to the review questions below.

Note: The procurement thresholds for federally funded procurements:

* Micro-purchase threshold is $3,500 or less if awarded prior to June 20, 2018, or $10,000 or less for contracts awarded after June 20, 2018.
* Simplified Acquisition (small purchase) threshold was $150,000 or less, if awarded prior to June 20, 2018, or $250,000 or less for procurements awarded after June 20, 2018.

## Procurement Standards, Practices and History

Subrecipients must have written procurement policies and standards that meet federal and state procurement requirements. Subrecipients must keep adequate records (history) of the procurement process and outcomes.

|  |  |  |
| --- | --- | --- |
| **QUESTION** | **RESPONSE** | **OBSERVATION** |
| **PROCUREMENT STANDARDS, PRACTICES, AND HISTORY** |  |
| 1. What contracts are funded by your agency’s S.5310 funds?

*If agency is only contracts with County transportation services, please also answer question 2 and skip questions 3-23 in this section and go to answer* ***Suspension/Debarment and Lobbying*** *questions 24-33.*  |  |  |
| 1. Have you attached the most current applicable federal requirements/contract clauses to all solicitations or agreements over $10,000\* for local purchases that were funded in part with federal funds?

***requirement*** *- all purchases over $10,000 must include the laws and regulations that will affect the third-party contractor.*   |       |       |
| 1. Who in your organization is responsible for purchasing/ leasing?

Please identify staff person and title.Is the person by reason of education, training, and experience qualified for the responsibility? |       |       |
| 1. How does your agency organize and structure procurement functions and personnel to support FTA-funded procurements (e.g., separate department within organization, split responsibility between transit staff and county procurement office, etc.)?

*Provide an inter-agency agreement between the non-profit and the transit agency or any similar type of documentation.*  |       |       |
| 1. Does the non-profit have written procurement procedures and standards that reflect applicable state and local laws and also conform to federal rules including:

*Please answer N/A to this question if there are only agreements with public transit systems.*  |       |       |
| * Contract administration system
 |       |       |
| * Written record of procurement history including records retention system
 |       |       |
| * Code of conduct/conflict of interest
 |       |       |
| * Contract cost or price analysis for every procurement action, including exercising options
 |       |       |
| * Independent Cost Estimate (ICE) prior to receiving bids or proposals
 |       |       |
| * Full and open competition and written selection process
 |       |       |
| * No local or state geographical preference
 |       |       |
| * Inclusion of appropriate federal clauses in procurements that use federal funds, including purchase orders and intergovernmental agreements
 |       |       |
| * Award only to responsible bidders (able to perform the work and not debarred/suspended from federal contracts)
 |       |       |
| * Procurement protest procedures
 |       |       |
| * Contract issues/dispute settlement procedures
 |       |       |
| 1. Are procurement procedures approved by the Governing Board?

***requirement****: Non-profit systems are required to have procurement policies that address Governing Board approval. Public entities may have their own or use local municipality’s procedures. All must be in compliance with FTA C 4220.1F.*  |       |       |
| 1. What are the procedures for reviewing acquisitions in order to identify, evaluate, and mitigate potential organizational conflicts of interest?

***requirement****: The Standards of Conduct policy address the performance of employees (any staff or board member) engaging in the award and administration of contracts.*  |       |       |
| 1. Do any potential conflicts of interest exist between Board members, employees, officers, agents, or family members of your organization that have participated in the selection, award, or administration of a contract with consultants/vendors/suppliers or between a management contractor and their consultants/ vendors/suppliers?
 |       |       |
| 1. How does the non-profit allow for full and open competition for all transactions under the following methods of procurement?

***NOTE:*** *Sealed bids of Competitive Proposals or Bids are required for awards over $90,000 (state requirement). Revenue contacts must be awarded on a competitive basis and income derived from such contracts must be used to offset program costs* |       |       |
| * Micro-purchases ($9,999\* or less). How do you determine that price to be paid is fair and reasonable? Do you distribute purchases equitably among qualified suppliers in your area?
 |       |       |
| * Price quotes ($10,000 or more than but less than $30,000). For price quotes, do you solicit written or oral price or rate quotations from three qualified sources?

Has the appropriate NCDOT procurement checklist been completed? |       |       |
| * Informal written quotes (from $30,000 up to $90,000). For informal written quotes, were written quotes solicited from three qualified sources?

Has the appropriate NCDOT procurement checklist been completed? |       |       |
| * Items over $90,000, do you use Sealed Bid/Invitation for Bid (IFB) for construction, supplies and equipment? For all service contracts or technical supplies and services have you issued Competitive Proposals/Request for Proposals (RFP)?

***NOTE:*** *EXCEPT FOR REGIONAL TRANSIT AUTHORITIES, NC DOES NOT ALLOW THE RFP METHOD OF PROCUREMENT. Also, the State threshold for competitive procurements is $90,000 while the federal threshold is $150,000.* |       |       |
| 1. Have you submitted procurements estimated to cost over $90,000 to the Division for review prior to bid and award?

***requirement:*** *formal bid procedures; must complete formal bid procurement checklist and submit for pre-award approval.* |       |       |
| 1. Do your purchasing procedures ensure the most efficient and economic purchase?
 |       |       |
| 1. Are awards made only to responsible contractors?
 |       |       |
| 1. Do the procedures provide for competition in the award of revenue contracts?
 |       |       |
| 1. Is the documentation for all procurements, i.e., quotes, price sheets, procurement checklist, purchase orders, etc. kept for five years after audit?
 |        |       |

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| **PROCUREMENT HISTORY** |
| 1. Please list all local procurements for which the subrecipient used federal and/or state funds from since the last review or three years, whichever is greater.
 |
| **Item** |  |  |
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| **QUESTION** | **RESPONSE** | **OBSERVATION** |
| 1. In the purchases listed above, did you request IMD approval (over threshold or low bid not selected)?
 |       |       |
| 1. Was the lowest responsive bidder taken in each case? If not, why?
 |       |       |
| 1. Do the files document the procurement history?
 |       |       |
| 1. Do any contracts exceed five years in length, including base and options?
 |       |       |
| 1. Do you have contracts for transportation services and has IMD reviewed and authorized the system to enter into the third-party agreement?

***requirement*** *- IMD must review all third-party contracts prior to execution.*  |       |       |
| 1. Has IMD been provided with a copy of all executed third party agreements?

***requirement*** *- IMD requires a copy of all executed third-party agreements.*  |       |       |
| 1. Has the non-profit had any sole-source, single bid or brand name or equal awards during the audit period? If so, do the files include appropriate justification and/or documentation?
 |       |       |
| 1. Has the transit agency conducted any piggyback procurements or joint procurements? If yes, is the appropriate documentation on file?
 |       |       |
| 1. Did the non-profit receive any procurement protests during the review period? Did they follow their own written protest procedures? What was being procured? What was the result of said protest? Was it sustained or withdrawn?
 |       |       |
| 1. Have advanced or progress payments been used for any procurements? If yes, did the grantee obtain written approval from FTA/NCDOT before doing so? If progress payments have been made, did the grantee obtain title to the property or take alternative measures to protect FTA’s interests?
 |       |       |

**PROCUREMENT FILE REVIEW SHEET**

Subrecipient\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Amount\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Contract Number\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Purpose\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Award Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Number of Bids/Quotes Received\_\_\_

Awarded To\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date File Inspected\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Item** | **Yes** | **No** | **N/A** |
| 1 | Does the file contain an index or checklist of items that it should contain?Procurement History Form  | [ ]  | [ ]  | [ ]  |
| 2 | Does the file include an Independent Cost Estimate (ICE) prepared prior to initiating the procurement?  | [ ]  | [ ]  | [ ]  |
| 3 | Does the file contain the rationale for the method of procurement and contract type? Procurement History Form  | [ ]  | [ ]  | [ ]  |
| 4 | Does the file contain the invitation for bids or the request for proposals? All procurements should have a Procurement Checklist with it. (Procurements over $90,000 need IMD pre-approval) | [ ]  | [ ]  | [ ]  |
| 5 | Does the file contain the notices and advertisements? (Formal bids) | [ ]  | [ ]  | [ ]  |
| 6 | Does the file include all bids/quotes received? | [ ]  | [ ]  | [ ]  |
| 7 | Does the file include verification that the vendor is not on the federal or state debarred list? | [ ]  | [ ]  | [ ]  |
| 8 | Does the file documentation include the federal requirements with the bid/quote? (Currently federal/state requires with all procurements over $10,000) | [ ]  | [ ]  | [ ]  |
| 9 | Does the file document the evaluation and the results of the evaluation? | [ ]  | [ ]  | [ ]  |
| 10 | Does the file contain a signed contract? (A copy is to be submitted to IMD) | [ ]  | [ ]  | [ ]  |
| 11 | Are documents filed in chronological order? | [ ]  | [ ]  | [ ]  |
| 12 | If a pre-bidders’ conference was held, does the file document the bidders notified of the conference, the date/time of the conference, and the list of the attendees? | [ ]  | [ ]  | [ ]  |
| 13 | If the procurement was a sole source, single bid, brand name, or award to other than low bidder, does the procurement file contain a justification for the award? (IMD pre-approval required) | [ ]  | [ ]  | [ ]  |
| 14 | Do the files contain a cost or price analysis? (Required for single bids; A best practice for all bids) | [ ]  | [ ]  | [ ]  |
| 15 | Do the files indicate that the subrecipient ensured that goods and services were received? (Materials received should be completed) | [ ]  | [ ]  | [ ]  |
| 16 | Does the file include all contract modifications and amendments? | [ ]  | [ ]  | [ ]  |
| 17 | Does the file contain copies of all correspondence with the vendor? | [ ]  | [ ]  | [ ]  |
| 18 | Does the file contain IMD concurrence (if it was above the micro-purchase) | [ ]  | [ ]  | [ ]  |

## Suspension/Debarment

Subrecipients are prohibited from contracting for goods and services from individuals or organizations that have been suspended or debarred from receiving federally assisted contracts.

|  |  |  |
| --- | --- | --- |
| **QUESTION** | **RESPONSE** | **OBSERVATION** |
| 1. Are parties that have been debarred or suspended from participation in federally assisted transactions excluded from procurements?
 |       |       |
| 1. Has the non-profit included a term or condition requiring compliance with the Suspension and Debarment requirement in procurement and solicitations $25,000 or more and lower tier covered transactions?
 |       |       |
| 1. How did you verify and document (print) that the contractor was not on the System for Award Management (SAM) excluded parties list?

***requirement****: in accordance with the federal requirements, the agency is to verify that the contractor is not on the debarment list before entering into any contracts*  |       |       |
| 1. Have you verified that the vendor is not on the state’s list of debarred vendors? <https://ncadmin.nc.gov/government-agencies/procurement/contracts/debarred-vendors>
 |  |  |
| 1. Have you become aware of any new information, following the award of a contract or subcontract, where there is a change in the status of a contractor or subcontract and that they may be listed on the SAM excluded parties list? If yes, did you promptly inform IMD in writing?

***REVIEWER:*** *Subrecipients need to provide immediate written notice to IMD if they learn that their certification or the certification of any contractors is no longer valid.*  |       |       |

## Lobbying

No federal funds can be used for lobbying activities. Recipients of grants and contracts exceeding $100,000 must certify that they have not and will not use federal appropriated funds to pay for lobbying. Subrecipients certify to NCDOT and Contractors certify to the Subrecipient.

|  |
| --- |
| **Answer these questions only if you received a grant that exceeded $100,000.** |
| **QUESTION** | **RESPONSE** | **OBSERVATION** |
| 1. No Federal funds can be used to influence anyone in connection with awarding a Federal contract, grant or cooperative agreement. Have you used FTA funds for lobbying activities?
 |       |       |
| 1. Have any funds other than federal appropriated funds been used for lobbying?
* If yes, have you filed with the Division the Standard Form-LLL, “Disclosure Form to Report Lobbying” and any necessary updates?
 |       |       |
| 1. Has the transit system included the lobbying clause in all agreements and procurement solicitations exceeding $100,000?
 |       |       |
| 1. Have you obtained signed lobbying certifications with procurement solicitations exceeding $100,000?

***NOTE:*** *This will be verified in Procurement File review.****requirement:*** *the lobbying certification must be included in all procurements $100,000 and over. the certification should be submitted with the bid.*  |       |       |
| 1. Have any of your contractors that filed certifications used non-federal funds for lobbying activities? If yes, have proper disclosures been made and filed with you on Standard Form LLL? What process do you used to receive and file the certifications and disclosure statements? Have all disclosures been updated quarterly if needed and so reported?
 |       |       |

# 5. LEGAL

*Subrecipients must be eligible and authorized under state and local law to request, receive, and spend FTA funds and to execute and administer FTA-funded projects.*

Subrecipient non-profit organizations must be organized and governed in a manner that allows the organization to comply with federal regulations**.** Areas reviewed under organizational management include:

* legal authority
* annual certifications
* control environment

Requirements under these areas are described below.

## Legal Authority

Subrecipient non-profit organizations must have the legal capacity to receive federal and state grants and must be eligible under the specific requirements of the FTA programs. The authority to take necessary actions and responsibility on behalf of the subrecipients must be properly delegated and executed. This means that:

* Subrecipient non-profits must have designated a body legally responsible for the overall organization, management and operation of the organization.
* The officials acting on behalf of the subrecipient non-profit must have the appropriate authority. This is usually documented in an authorizing resolution passed by the governing body.

|  |  |  |
| --- | --- | --- |
| **QUESTION** | **RESPONSE** | **OBSERVATION** |
| **LEGAL AUTHORITY** |  |  |
| 1. What is the name of the designated body legally responsible for the overall organization of the non-profit?
 |       |       |
| 1. What is the name or title of the person or persons with the authority to act on behalf of the non-profit?
 |       |       |
| 1. What is the source of that authority? Does the non-profit organization have a Governing Board approved authorizing resolution?

***REVIEWER:*** *IMD requires subrecipients adopt an Authorizing Resolution every five years. The most current AR should be in the files.*  |       |       |

## Annual Certifications

Subrecipient non-profit organizations must certify annually to FTA that they will comply with the applicable federal requirements and that they have met the statutory and program requirements. This means that subrecipients must have signed their annual certification and assurances required by FTA generally as part of the annual grant application and that the person signing is an authorized individual. Opinions of Counsel must accompany the certifications and assurances.

|  |  |  |
| --- | --- | --- |
| **QUESTION** | **RESPONSE** | **OBSERVATION** |
| **CERTIFICATIONS AND ASSURANCES** |  |  |
| 1. Has the non-profit submitted properly completed Annual Certifications and Assurances?
 |       |       |
| * When were they submitted?
 |       |       |
| * Were they signed by an authorized official and attorney with the proper authority?
 |       |       |

## Governance

GOVERNING BOARD

Governing Boards represent and are the legal entity of the sub recipient non-profit organization. The Governing Board has the legal and fiduciary responsibility of the organization.

| **QUESTION** | **RESPONSE** | **OBSERVATION** |
| --- | --- | --- |
| **GOVERNANCE** |  |  |
| 1. Describe the structure, organization and membership of the governing board
 |       |       |
| * How often does it meet?
 |       |       |
| * Are meetings open to the public?
 |       |       |
| * Are meeting minutes documented?
 |       |       |

## Control Environment

The overall control environment sets the tone of the organization and influences the control consciousness of its employees. To successfully address risks and achieve its objectives, agency management must institute various control activities, such as segregation of duties, physical controls, and a system of approvals.

|  |  |  |
| --- | --- | --- |
| **QUESTION** | **RESPONSE** | **OBSERVATION** |
| **CONTROL ENVIRONMENT** |  |  |
| 1. Are non-profit employees skilled and trained to perform the duties associated with their particular job functions (e.g., daily management of staff, accounting functions, delivery of services, etc.)?

***REVIEWER:*** *Check for evidence of staff qualifications or training.* |       |       |
| 1. Are background and reference checks done on applicants for financial, IT, and key management positions?
 |       |       |
| 1. Is there a formal (written) conflict of interest policy or code of conduct in effect? How does the agency management convey the message that integrity cannot be compromised? How is this communicated to employees?
 |       |       |
| Are you aware of any litigation involving the non-profit? |       |       |
| Are you aware of any fraud or abuse involving the non-profit? |       |       |

# 6. General Planning, Coordination, and Other Service Requirements

*Subrecipients must participate in the transportation planning process in accordance with FTA requirements, Fixing America’s Surface Transportation (FAST) Act, and the metropolitan and statewide planning regulations.*

Subrecipients must coordinate to the maximum extent feasible with transportation assisted from other federal sources. Subrecipients must involve the public in service planning. Services also must be planned and delivered in a manner that is non-discriminatory (see section on Title VI).

An effective public involvement program has an educational and outreach component, and addresses transit riders, the non-riding public, special populations, community leaders, and civic groups. The State is interested in how the provider conducts public hearing annually as part of the grant application process. They should also document that adequate outreach has been conducted for low income, minority and special needs populations.

|  |  |  |
| --- | --- | --- |
| **QUESTION** | **RESPONSE** | **OBSERVATION** |
| Planning |  |  |
| 1. Explain how the transit services your organization provides are planned in the community.
 |       |       |
| 1. Do representatives of the organization participate in local transportation planning process. Are you “at the table” or interested in being at the table when decisions are made on other modes (highways) or land use?
 |       |       |
| 1. Have you cultivated working relationships with community leaders? For example, are you a member of the chamber of commerce and do you attend meetings regularly?
 |       |       |
| 1. Are you involved or do you periodically consult with local planning agencies and governmental units?
 |       |       |

## Specific Needs of Seniors and Individuals with Disabilities

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| --- |
| The following questions are designed to determine whether the service provided meets FTA’s recommended criteria to be considered 5310 service. |
| **QUESTION** | **RESPONSE** | **OBSERVATION** |
| 1. Are 5310 funds used to support the provision of transportation services to meet the specific needs of seniors and individuals with disabilities?
 |       |       |
| * + Do incidental services (such as meal delivery) conflict with the provision of transit service to the general population of elderly and persons with disabilities? If yes, is there coordination with other transportation services?
 |       |       |
| * + Have you had to deny transit trips because the incidental service utilized all available capacity? If yes, how often?
 |       |       |
| 1. Are your services shared ride? Do you allow multiple users to share the same vehicle, when possible?
	* ***NOTE:*** *To be considered “public transit,” services must be offered in a manner that allows multiple riders on the same vehicle. For example, every trip does not have to be shared ride in order for a taxi company to be considered a shared ride operator, but the general nature of the service must include shared rides.*
 |       |       |
| 1. Do you prioritize trips by trip purpose?

*If yes, please provide the order of priority.* |       |       |
| 1. Does the prioritization discourage the general public elderly and persons with disabilities from using the service?
 |       |       |
| 1. How are you listed on your website to offer transportation services?
 |       |       |

|  |  |  |
| --- | --- | --- |
| **QUESTION** | **RESPONSE** | **OBSERVATION** |
| Coordination  |  |  |
| 1. How was your community or organization involved in the development of the 2018 State-wide local coordinated public transit-human services transportation plan (LCP)?
 |       |       |
| 1. Are you currently participating in public transit coordination efforts identified in the LCP?
 |       |       |
| 1. Have you adopted the latest Statewide [Local Coordinated Public Transit-human services Transportation Plan (LCP)](https://connect.ncdot.gov/business/Transit/Documents/LCP_Full%20Final_30July2018.pdf)?

***NOTE:*** *An adopted LCP is required to apply for and receive S.5310 funds.* |       |       |
| * What initiatives have resulted from the planning effort?
 |       |       |
| 1. Please describe any other ways that are coordinating with other transportation providers in the area.

***NOTE****: Federal Sections 5310 circulars strongly support coordination of services.****REVIEWER:*** *This goes to intended use/purpose of funds.* |       |       |
| 1. Are there more opportunities for coordination?
 |       |       |
| * If yes, please describe
 |       |       |