



May 11, 2016

To: Finance and Administration Committee

From: Darrell Johnson, Chief Executive Officer
Janet Sutter, Executive Director
Internal Audit Department

Subject: Fiscal Year 2016 Federal Triennial Review

Overview

The Federal Transit Administration has completed the Fiscal Year 2016 Triennial Review of the Orange County Transportation Authority. The purpose of the review is to evaluate compliance with grant requirements and management practices as they relate to the use of federal funds. Deficiencies were cited in three of the 17 areas reviewed.

Recommendation

Direct staff to implement corrective actions to address the remaining deficiencies identified in the Fiscal Year 2016 Federal Triennial Review.

Background

United States Code, Chapter 53 of Title 49, requires the Federal Transit Administration (FTA) of the United States Department of Transportation to perform reviews and evaluations of Urbanized Area Formula Grant activities at least every three years. The Orange County Transportation Authority's (OCTA) last review was conducted in 2014. The purpose of the triennial review is to evaluate the performance of a grant recipient in carrying out the recipient's program, specifically as it relates to compliance with statutory and administrative requirements. The triennial review consists of a review of compliance in 17 different grant-related management areas. As part of this year's triennial review, the FTA incorporated an Enhanced Review Module in the area of Technical Capacity.

Discussion

FTA's Region IX office contracted with Qi Tech, LLC (reviewers) to perform the Fiscal Year (FY) 2016 Federal Triennial Review and Enhanced Review Module of OCTA. OCTA provided information and documentation for desk review in December 2015. The reviewers' site visit occurred March 15 through 17, 2016, and a draft report was provided to OCTA on April 14, 2016. OCTA responded to the draft report on April 27, 2016, and the final report was issued on May 3, 2016 (Attachment A).

OCTA was found fully compliant in 14 of the 17 areas reviewed, and there were no findings resulting from the Enhanced Review Module. Deficiencies were noted in three areas: Technical Capacity, Americans with Disabilities Act (ADA), and Drug Free Workplace/Drug and Alcohol Program.

In the area of Technical Capacity, the reviewers identified four open grants that were inactive and/or should have been closed out. The reviewers recommended OCTA work with the FTA Regional Office to revise grant budgets so that funds can be spent and drawn, or de-obligate funds and close grants where small amounts of funds remain in inactive grants. Management agreed and will provide requested documentation of corrective actions by the dates requested.

Deficiencies identified in the area of ADA related to OCTA's evaluation of ACCESS passengers' need to travel with a personal care attendant. The reviewers issued an immediate cease and desist related to this practice and requested OCTA revise all public materials accordingly. Management agreed and complied with these recommendations. As a result, this finding was closed with the issuance of the final report.

Finally, the reviewers identified a repeat deficiency related to monitoring of Section 5316 and 5317 subrecipients' drug and alcohol programs. The reviewers found OCTA has implemented a thorough monitoring program of its contractors' and Section 5307 subrecipients, but had not been monitoring the drug and alcohol programs of its Section 5316 and 5317 subrecipients. Management responded that procedures would be implemented and evidence provided by the dates requested.

The reviewers indicated, during the exit conference, that overall results were very good. The reviewers observed that several of OCTA's practices are "best practices" in the industry, in particular, OCTA's Disadvantaged Business Enterprise program practices and its contractor, and Section 5307 subrecipient monitoring programs.

Summary

The FTA has issued its FY 2016 Federal Triennial Review Report of OCTA. Deficiencies were found in three of the 17 areas reviewed. OCTA plans to implement corrective action plans by the due dates outlined in the report.

Attachments

- A. Final Report FY 2016 Triennial Review of the Orange County Transportation Authority (OCTA) Orange, CA Recipient ID: 1682
- B. Orange County Transportation Authority 2016 Federal Triennial Review Status of Corrective Actions as of April 27, 2016

Prepared by:



Janet Sutter
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714-560-5591

FINAL REPORT

FY 2016 TRIENNIAL REVIEW

of the

**Orange County Transportation Authority
(OCTA)
Orange, CA
Recipient ID: 1682**

Performed for:

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

Prepared by:

Qi Tech, LLC

**Scoping Meeting Date: January 22, 2016
Site Visit Dates: March 15 – 17, 2016
Final Report Date: May 2016**

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I. Executive Summary

This report documents the Federal Transit Administration’s (FTA) Triennial Review of Orange County Transportation Authority (OCTA). The review was performed by Gwen Larson, Qi Tech, LLC, with assistance from Grace Stegall and Margaret Merhoff of AdSTM, Inc., under subcontract to Qi Tech, LLC. During the site visit, administrative and statutory requirements were discussed and documents were reviewed. OCTA’s transit facilities were toured to provide an overview of activities related to FTA-funded projects.

The Triennial Review focused on OCTA’s compliance in 17 areas. As part of this year’s Triennial Review of OCTA, FTA incorporated an Enhanced Review Module (ERM) in the Technical Capacity area. The purpose of an ERM is to conduct a more comprehensive review of underlying or contributing issues identified during the pre-assessment stage of the Triennial Review. While there was a deficiency identified in the baseline Triennial Review in Technical Capacity, there were no additional findings as a result of the ERM.

Deficiencies were found in the areas listed below.

Review Area	Deficiencies	
	Code	Description
Technical Capacity	D-79	Inactive grants/untimely closeouts
ADA	D-73*	ADA complementary paratransit service deficiencies
Drug Free Workplace/ Drug and Alcohol Program	D-157*	Drug and Alcohol contractors, subrecipients, and/or lessees not properly monitored for D&A program

* Denotes repeat deficiency

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 grantee’s compliance in 17 areas. The basic requirements for each of these areas are summarized in Section IV.

This report presents the findings from the Triennial Review of the Orange County Transportation Authority (OCTA). 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 grants. The specific documents reviewed are referenced in this report and are available at FTA’s Regional Office or the grantee’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 grantee’s location. The review scoping meeting was conducted with the Region IX Office on January 22, 2016. Necessary files retained by the Regional Office were sent to the reviewer electronically. A grantee information request and review package was sent to OCTA advising it of the site visit and indicating information that would be needed and issues that would be discussed. The site visit to OCTA occurred on March 15-17, 2016.

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 following OCTA transit facilities, contractors, and subrecipients to provide an overview of activities related to FTA-funded projects: Anaheim Bus Operations & Maintenance Base, Garden Grove Bus Operations & Maintenance Base, Newport Transportation Center, Sand Canyon Bus Operations & Maintenance Base, Anaheim Transportation Network, City of Irvine, First Transit, and MV Transportation. The Reviewers examined a sample of maintenance records for FTA-funded vehicles and equipment. Upon completion of the review, FTA and the Reviewers provided a summary of preliminary findings to OCTA 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 grantee 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 grantee'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 grantee does not conduct activities for which the requirements of the respective area would be applicable.

III. Grantee Description

1. Organization

The Orange County Transportation Authority (OCTA) provides transit service in Orange County, California. OCTA was formed on June 20, 1991 with the consolidation of the Orange County Transit District, Orange County Transportation Commission, Orange County Local Transportation Authority, Orange County Service Authority for Freeway Emergencies, Orange County Service Authority for Abandoned Vehicles, Orange County Consolidated Transportation Services Agency, and the Orange County Congestion Management Agency.

An 18-member Board of Directors governs OCTA. Five representatives are from the Orange County Board of Supervisors, and ten members are from the individual municipalities within the county. Board members select two public members, and one ex-officio member is from Caltrans District 12. The Board hires a Chief Executive Officer to oversee the management and operations of OCTA.

OCTA is responsible for planning and implementing fixed-route, paratransit, and vanpool transportation services. OCTA also administers the Master Plan for arterial highways, area highways, transit ways, high occupancy vehicle lanes, and 91 express lanes toll roads. OCTA's service area is 797 square miles with a population of 3,145,515.

2. Services

OCTA provides service to all 34 cities in Orange County and to areas within the cities of Artesia, Cerritos, Diamond Bar, Hawaiian Gardens, Lakewood, La Mirada, Long Beach, Corona, Riverside, Chino, Chino Hills, and Pomona. Bus service provided by OCTA consists of 54 local routes, 10 express routes, and 13 rail-feeder routes. Fifty-two routes are contracted to First Transit, Inc., while the remaining 25 routes are directly operated by OCTA. Fixed-route buses typically operate seven days a week, 365 days a year, from 4:00 a.m. to 10:00 p.m., although a few routes operate until 2:00 a.m. Complementary paratransit service, known as ACCESS, operates during the same hours as fixed-route service and is under contract to MV Transportation, Inc.

The base adult fare for fixed-route service is \$2.00 per boarding during peak demand, and \$1.00 during off peak. A reduced fare of \$0.75 is available to adults aged 65 and older, persons with disabilities, and Medicare cardholders during peak demand, or \$0.25 during off peak. ADA passengers certified for ACCESS may ride fixed routes for \$0.25 per boarding. The fare for ACCESS service is \$3.60.

OCTA operates a fleet of 544 FTA-funded buses for fixed-route service including 239 vehicles that are operated by First Transit. OCTA's bus fleet consists of standard 40-foot transit buses, 60-foot articulated buses, and 32-foot cutaways. The current peak operating requirement is for 451 vehicles, which results in a spare ratio of 20.6%. OCTA also has a fleet of 248 FTA-funded cutaway buses operated by MV for its ACCESS service.

OCTA has five bus operations and maintenance bases located in the cities of Anaheim, Garden Grove, Irvine (which has two facilities), and Santa Ana. There are six Transportation Centers located in the cities of Fullerton, Golden West, Newport Beach, Laguna Hills, Laguna Beach, and Santa Ana. OCTA has two Park and Rides located in Fullerton and Brea Park, and its administrative offices are located in the City of Orange. All of OCTA's facilities and park and ride lots have FTA interest except the administrative office in Orange.

OCTA's 2015 National Transit Database Report was not accepted at the time of the Triennial Review. OCTA's National Transit Database Report for FY2014 provided the following financial and operating statistics for its fixed-route, paratransit, and vanpool services:

Operating Statistic	Fixed-Route Service (Directly Operated)	Fixed-Route Service (Purchased)	Paratransit Service	Vanpool Service
Unlinked Passengers	41,683,896	6,877,310	1,356,635	1,224,467
Revenue Hours	1,209,076	368,637	707,987	205,066
Operating Expenses	\$152,680,059	\$36,258,737	\$67,860,493	\$754,7032

3. Grant and Project Activity

Below is a list of OCTA's open grants at the time of the review.

Grant Number	Grant Amount	Year Executed	Description
CA-03-0754	\$970,874	2006	Fare Collection System, Orange County
CA-04-0078	\$7,021,300	2008	FY2008 Section 5309 Bus Application
CA-04-0122	\$4,845,999	2009	FY2009 Section 5309 Bus Application
CA-04-0181	\$225,720	2011	FY2011 Section 5309 Bus Application
CA-04-0251	\$988,000	2012	5309 SGR UST & Methane Sys Replacement
CA-05-0269	\$6,000,000	2012	CP 4 th Street & Slope Stabilization
CA-37-X113	\$2,168,517	2013	JARC – Mobility Mgmt., Operating, PA
CA-55-0003	\$1,079,786	2012	OCCOG FY2012 SAFETELU HPP
CA-57-X038	\$1,014,950	2013	NF – Mobility Mgmt., Operating, PA
CA-90-Y860	\$58,821,054	2012	PM, ADA, PT, Security, Signals, Rail Equip.
CA-90-Y942	\$57,746,965	2014	PM, Bus Replace, Rail Controls and Rehab

Grant Number	Grant Amount	Year Executed	Description
CA-90-Z027	\$53,878,507	2014	PM, Ops Asst, Contract Svc, Bus Replace
CA-90-Z174	\$55,129,189	2014	PM, Ops Asst, Contract Svc, Cap Cost Con
CA-95-X131	\$2,102,650	2010	FY2010 RSTP Fund Transfer for SARTC/FTC
CA-95-X180	\$4,260,000	2012	FY11Anaheim Cyn Stn, iShuttle, BRT TSS
CA-95-X188	\$29,198,000	2012	FY2012 RSTP 58 Replacement Buses
CA-95-X195	\$2,244,000	2012	CMAQ Rideshare
CA-95-X210	\$12,699,000	2013	CMAQ AnaCyn Stn PE, Rideshare Cap Lease
CA-95-X213	\$6,000,000	2013	CMAQ TSS Pilot Project Service
CA-95-X242	\$5,250,000	2013	CMAQ Replace 60' Articulated Buses
CA-95-X254	\$5,657,000	2013	CMAQ iShuttle Service, Rideshare
CA-95-X267	\$23,950,000	2014	CMAQ ARTIC Construction
CA-95-X286	\$6,621,000	2014	CMAQ/RSTP LN-SJC Siding & LN-MV Station

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

- Upgraded the radio communications system
- Replaced the fluid management system
- Replaced 99 paratransit vehicles with 27-foot cutaway buses
- Replaced 20 articulated diesel buses with 60-foot CNG buses
- Implemented express bus service (Route 57X) on one of the most heavily travelled corridors in the OCTA bus system
- Hired a consultant to update the Public Transit – Human Services Coordination Plan, which was adopted by the OCTA Board of Directors on June 11, 2015
- Implemented a mobile ticketing app for the Orange County Fair bus routes
- Awarded a contract for fixed-route service to a new vendor, First Transit, Inc., under a four-year agreement with two, 2-year options.

OCTA is currently implementing the following noteworthy projects:

- Replacing 202 LNG buses with 40-foot CNG buses
- Replacing 16 articulated diesel buses with 60-foot CNG buses
- Transitioning the level of fixed-route bus service contracted to First Transit from 34% of all fixed-route service to 40%
- Adding HASTUS modules to support bus operations

- Developing a mobile ticketing that will allow customers to purchase fare media and make fare payment for all bus routes via smart phone
- Re-hauling 189 CNG engines
- Installing automated passenger counters
- Coordinating efforts with the Orange County Human Trafficking Task Force to expand public awareness of human trafficking
- Conducting a Threat and Hazard Identification and Risk Assessment (THIRA) and a Business Impact Analysis (BIA) and developing a Continuity of Operations Plan (COOP) with the services of a consultant
- Finishing the OC Bus 360° initiative to consider reallocating service from areas with low ridership and demand to areas with higher ridership and demand.

OCTA plans to pursue the following noteworthy projects in the next three to five years:

- Develop the OC Streetcar, a 4.1-mile streetcar project in the cities of Santa Ana and Garden Grove
- Build a new Transit Security and Operations Center to house OCTA's Central Communications Center, Transit Police Services, and the Emergency Operations Center
- Execute a hydrogen fuel cell bus demonstration project in conjunction with the Center for Transportation and the Environment.

IV. Results of the Review

1. Financial Management and Capacity

Basic Requirement: The grantee must demonstrate the ability to match and manage FTA grant funds, cover cost increases and operating deficits, cover maintenance and operational costs for FTA-funded facilities and equipment, and conduct and respond to applicable audits.

Finding: During this Triennial Review of OCTA, no deficiencies were found with the FTA requirements for Financial Management and Capacity.

2. Technical Capacity

Basic Requirement: The grantee must be able to implement FTA-funded projects in accordance with the grant application, FTA Master Agreement, and all applicable laws and regulations, using sound management practices.

Enhanced Review Module (ERM): During this Triennial Review of OCTA, an ERM was conducted in the Technical Capacity area. The following subject matters within Technical Capacity were reviewed extensively:

- Governance, Leadership, and Management
- Grant Management Practices
- Milestone Progress and Federal Financial Reports
- Project Management Practices
- Oversight of Subrecipients, Transit Management and Service Contractors, and Lessees.

No deficiencies were found as a result of the Technical Capacity ERM.

Finding: During this Triennial Review of OCTA, deficiencies were found with the FTA requirements for Technical Capacity. OCTA had four open grants that were inactive and/or should have been closed out:

Grant Number	Grant Amount	Year Awarded	Description	Issue
CA-03-0754	\$970,874	2006	Fare Collection System, Orange County	Untimely closeout
CA-04-0078	\$7,021,300	2008	FY2008 Section 5309 Bus Application	Inactive grant/ untimely closeout
CA-05-0269	\$6,000,000	2012	CP 4 th Street & Slope Stabilization	Inactive grant
CA-95-X180	\$4,260,000	2012	FY11Anaheim Cyn Stn, iShuttle, BRT TSS	Inactive grant

Corrective Action(s) and Schedule: By August 17, 2016, OCTA shall work with the FTA Regional Office to revise grant budgets so that funds can be spent and drawn, and deobligate funds and close grants if small amounts of funds remain in inactive grants or if projects are indefinitely delayed.

By August 17, 2016, OCTA shall submit to the FTA Regional Office an initial Status Update Report for all of its open grants to ensure it is meeting its project timelines and following internal grant management procedures.

By November 1, 2016, OCTA shall submit to the FTA Regional Office a quarterly Status Update Report for all its open grants.

3. Maintenance

Basic Requirement: Grantees and subrecipients must keep federally funded vehicles, equipment and facilities in good operating condition. Grantees and subrecipients must keep Americans with Disabilities Act (ADA) accessibility features on all vehicles, equipment and facilities in good operating order.

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

4. Americans with Disabilities Act

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 OCTA, deficiencies were found with the U.S. Department of Transportation (US DOT) requirements for ADA. OCTA completes a functional assessment on every single ACCESS (ADA complementary paratransit) applicant. It has been OCTA's policy to determine whether or not it will allow an approved applicant to travel with a Personal Care Attendant (PCA) during the functional assessment, and this is stated in its ACCESS Rider's Guide and on its website. Per 49 CFR Part 37.125, grantees may ask during the application process whether or not an applicant travels with a PCA, but it may not make the determination that an applicant may or may not travel with a PCA.

Corrective Action(s) and Schedule: OCTA shall immediately submit to the FTA Regional Civil Rights Officer (RCRO) documentation evidence that it has ceased determining if paratransit passengers require the use of a PCA, and therefore, may travel with a PCA.

By August 17, 2016, OCTA shall submit evidence to the FTA RCRO that it has revised its public materials and website to provide a PCA policy that complies with the ADA regulations.

Subsequent to the site visit, the OCTA provided documentation to address the ADA finding that was deemed acceptable by the Regional Civil Rights Officer to close this finding with the issuance of the Final Report.

5. Title VI

Basic Requirement: The grantee 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 grantee must ensure that federally supported transit services and related benefits are distributed in an equitable manner.

Note: The fiscal year 2016 Triennial Review covers a three-year period in which the FTA issued a revised circular for Title VI, which provided more information on how to comply and changed requirements for some grantees with populations over 200,000. FTA Circular 4702.1B became effective October 1, 2012. Title VI programs submitted to FTA after this date must comply with the requirements of this circular. The Triennial Review will look at compliance with the requirement of FTA Circular 4702.1A for the period prior to October 1, 2012, and compliance with the revised circular for activities after this date.

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

6. Procurement

Basic Requirement: Grantees use their own procurement procedures that reflect applicable state and local laws and regulations, provided that the process ensures competitive procurement and the procedures conform to applicable Federal law, including 49 CFR Part 18, (repealed effective December 26, 2014), 2 CFR Part 1201, incorporating 2 CFR Part 200 (specifically Sections 200.317-200.326), and FTA Circular 4220.1F, “Third Party Contracting Guidance.”

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

7. Disadvantaged Business Enterprise

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

Finding: During this Triennial Review of OCTA, no deficiencies were found with the US DOT requirements for DBE.

8. Legal

Basic Requirement: The grantee must be eligible and authorized under state and local law to request, receive, and dispense FTA funds and to execute and administer FTA-funded projects. Grantees must comply with Restrictions on Lobbying requirements.

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

9. Satisfactory Continuing Control

Basic Requirement: The grantee 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 OCTA, no deficiencies were found with the FTA requirements for Satisfactory Continuing Control.

10. Planning/Program of Projects

Basic Requirement: The grantee must participate in the transportation planning process in accordance with FTA, Moving Ahead for Progress in the 21st Century, and the metropolitan and statewide planning regulations. Each recipient of a Section 5307 grant shall develop, publish, afford an opportunity for a public hearing on, and submit for approval, a program of projects (POP).

Finding: During this Triennial Review of OCTA, no deficiencies were found with the FTA requirements for Planning/POP.

11. Public Comment on Fare Increases and Major Service Reductions

Basic Requirement: Section 5307 grantees 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.

Finding: During this Triennial Review of OCTA, no deficiencies were found with the FTA requirements for Public Comment on Fare Increases and Major Service Reductions.

12. Half Fare

Basic Requirement: 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.

Finding: During this Triennial Review of OCTA, no deficiencies were found with the FTA requirements for Half Fare.

13. Charter Bus

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

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

14. School Bus

Basic Requirement: Grantees are prohibited from providing exclusive school bus service unless the service qualifies and is approved by the FTA Administrator under an allowable exemption. Federally funded equipment or facilities cannot be used to provide exclusive school bus service. School tripper service that operates and looks like all other regular service is allowed.

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

15. Security

Basic Requirement: As recipients of Section 5307 funds, grantees 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.

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

16. Drug Free Workplace and Drug and Alcohol Program

Basic Requirement: Grantees are required to maintain a drug-free workplace for all grant-related employees and to have an ongoing drug-free awareness program. Grantees 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 OCTA, deficiencies were found with the FTA requirements for Drug-Free Workplace and Drug and Alcohol Program. While OCTA has implemented a thorough monitoring program of its contractors' and Section 5307 subrecipients' drug and alcohol programs, it has not been monitoring the drug and alcohol programs of its Sections 5316 and 5317 subrecipients.

Corrective Action(s) and Schedule: By August 17, 2016, OCTA shall submit to the FTA Regional Office a drug and alcohol oversight plan with at least quarterly monitoring of all its subrecipients, including its Sections 5316 and 5317 subrecipients, contractors, subcontractors, and lessees to include at a minimum: verification of random testing selections; review of custody and control forms (employer and medical review officer copy); vendor certifications and calibration logs; and random inspections of records and collection sites.

By November 1, 2016, OCTA shall submit to the FTA Regional Office evidence that it has implemented its drug and alcohol oversight plan.

17. Equal Employment Opportunity

Basic Requirement: The grantee 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 OCTA, no deficiencies were found with the FTA requirements for Equal Employment Opportunity (EEO).

V. Summary of Findings

Review Area	Finding	Deficiency	Corrective Action	Response Date	Date Closed
1. Financial Management and Capacity	ND				
2. Technical Capacity	D-79	Inactive grants/ untimely closeouts	<p>OCTA shall work with the FTA Regional Office to revise grant budgets so that funds can be spent and drawn, and deobligate funds and close grants if small amounts of funds remain in inactive grants or if projects are indefinitely delayed.</p> <p>OCTA shall submit to the FTA Regional Office an initial Status Update Report for all of its open grants to ensure it is meeting its project timelines and following internal grant management procedures.</p> <p>OCTA shall submit to the FTA Regional Office a quarterly Status Update Report for all its open grants.</p>	<p>8/17/2016</p> <p>8/17/2016</p> <p>11/1/2016</p>	
3. Maintenance	ND				
4. ADA	D-73*	ADA complementary paratransit service deficiencies	<p>OCTA shall immediately submit to the FTA Regional Civil Rights Officer (RCRO) evidence that it has ceased determining if paratransit passengers require the use of a PCA, and therefore, may travel with a PCA.</p> <p>OCTA shall submit evidence to the FTA RCRO that it has revised its public materials and website to provide a PCA policy that complies with the ADA regulations.</p>	<p>4/15/2016</p> <p>8/17/2016</p>	<p>Closed with issuance of the Final Report</p> <p>Closed with issuance of the Final Report</p>
5. Title VI	ND				
6. Procurement	ND				
7. DBE	ND				
8. Legal	ND				

Review Area	Finding	Deficiency	Corrective Action	Response Date	Date Closed
9. Satisfactory Continuing Control	ND				
10. Planning/POP	ND				
11. Public Comment on Fare Increases and Major Service Reductions	ND				
12. Half Fare	ND				
13. Charter Bus	ND				
14. School Bus	ND				
15. Security	ND				
16. Drug-Free Workplace/ Drug and Alcohol Program	D-157*	Drug and Alcohol contractors, subrecipients, and/or lessees not properly monitored for D&A program	OCTA shall submit to the FTA Regional Office a drug and alcohol oversight plan with at least quarterly monitoring of all its subrecipients, including its Sections 5316 and 5317 subrecipients, contractors, subcontractors, and lessees to include at a minimum: verification of random testing selections; review of custody and control forms (employer and medical review officer copy); vendor certifications and calibration logs; and random inspections of records and collection sites.. OCTA shall submit to the FTA Regional Office evidence that it has implemented its drug and alcohol oversight plan.	8/17/2016 11/1/2016	
17. EEO	ND				

* Denotes repeat deficiency

VI. Attendees

Name	Title	Phone Number	E-mail Address
<i>Orange County Transportation Authority</i>			
Virginia Abadessa	Director, Contracts Admin. & Materials Mgmt.	714-560-5623	vabadessa@octa.net
Edith Avina	Benefits Manager	714-560-5825	eavina@octa.net
Jim Beil	Executive Director Capital Programs	714-560-5646	jbeil@octa.net
Jennifer Bergener	Director, Rail & Facilities	714-560-5462	jbergener@octa.net
Sherry Bolander	Dept. Manager, Labor & Employee Relations	714-560-5727	sbolander@octa.net
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VII. Appendices

No appendices included in this report.

ORANGE COUNTY TRANSPORTATION AUTHORITY
2016 Federal Triennial Review
Status of Corrective Actions as of April 27, 2016

Compliance Area		Deficiency	Due Date	Corrective Action Required	OCTA Response	Status
2	Technical Capacity	D-79: Inactive grants/untimely closeouts	8/17/2016	The Orange County Transportation Authority (OCTA) shall work with the Federal Transit Administration (FTA) Regional Office to revise grant budgets so that funds can be spent and drawn, and deobligate funds and close grants if small amounts of funds remain in inactive grants or if projects are indefinitely delayed.	The Financial Planning & Analysis Department is scheduled to discuss the status of every open grant with FTA Region IX the first week of May 2016 to discuss potential grant revisions, deobligations and closing out small grant balances. OCTA staff provided a preliminary status report on all open grants during the FTA's Triennial Review on-site visit in February 2016. During the upcoming scheduled meeting with FTA Region IX the first week of May 2016, OCTA staff will provide a detailed breakdown of each FTA funded project and will highlight future drawdown schedules to ensure timely close out of each open grant.	Open
			8/17/2016	OCTA shall submit to the FTA Regional Office an initial Status Update Report for all of its open grants to ensure it is meeting its project timelines and following internal grant management procedures.	The Financial Planning & Analysis Department is scheduled to discuss the status of every open grant with FTA Region IX the first week of May 2016. OCTA staff provided a preliminary status report on all open grants during the FTA's Triennial Review On-site visit in February 2016. During the upcoming scheduled meeting with FTA Region IX the first week of May 2016, OCTA staff will provide a detailed breakdown of each FTA funded project and will highlight future drawdown schedules to ensure timely close out of each open grant.	Open
			11/1/2016	OCTA shall submit to the FTA Regional Office a quarterly Status Update Report for all its open grants.	The Financial Planning & Analysis Department will submit a quarterly Status Update Report as requested explaining the progress of each open grant.	Open
4	ADA	D-73: ADA complementary paratransit service deficiencies.	4/15/2016	OCTA shall immediately submit to the FTA Regional Civil Rights Officer (RCRO) evidence that it has ceased determining if paratransit passengers require the use of a Personal Care Attendant (PCA), and therefore, may travel with a PCA.	The OCTA ACCESS eligibility contractor was notified by phone and letter on 3/18/16 to discontinue PCA evaluations, effective immediately. A copy of the letter was submitted to the FTA on March 21, 2016 to close this finding.	Closed
			8/17/2016	OCTA shall submit evidence to FTA RCRO that it has revised its public materials and website to provide a PCA policy that complies with Americans with Disabilities Act regulations.	All public information, including ACCESS eligibility letters and notices, the ACCESS Rider's Guide and the OCTA website, were revised immediately following the exit meeting for the FTA triennial audit to remove any reference to PCA eligibility determinations. Copies of all documentation were provided to the FTA via email on March 24, 2016.	Closed

ATTACHMENT B

ORANGE COUNTY TRANSPORTATION AUTHORITY
2016 Federal Triennial Review
Status of Corrective Actions as of April 27, 2016

Compliance Area	Deficiency	Due Date	Corrective Action Required	OCTA Response	Status	
16	Drug-Free Workplace/ Drug and Alcohol Program	D-157: Drug and Alcohol contractors, subrecipients, and/or lessees not properly monitored for Drug and Alcohol program.	8/17/2016	OCTA shall submit to the FTA Regional Office a drug and alcohol oversight plan with at least quarterly monitoring of its 5316 and 5317 subrecipients to include, at a minimum: verification of random testing selections; review of custody and control forms (employer and medical review officer copy); vendor certifications and calibration logs; and random inspections of records and collections sites.	Staff will develop a plan to incorporate the 5316 and 5317 subrecipients into the drug and alcohol monitoring program currently used in the oversight of OCTA contractors. The plan will be submitted by the August 17, 2016 due date.	Open
			11/1/2016	OCTA shall submit to the FTA Regional Office evidence that it has implemented its drug and alcohol oversight plan.	OCTA will provide documentation of the drug and alcohol monitoring activities for 5316 and 5317 subrecipients. Documentation will be provided by the November 1, 2016 due date.	Open