INTRODUCTION

The triennial review is one of the Federal Transit Administration's (FTA) management tools for examining grantee performance and adherence to current FTA requirements and policies. Mandated by Congress in 1982, the triennial review occurs once every three years. It examines how recipients of Urbanized Area Formula Program funds meet statutory and administrative requirements, especially those that are included in the Annual Certifications and Assurances that grantees submit. Consistent with SAFETEA-LU, at least once every 3 years, the Secretary of Transportation shall review and evaluate completely the performance of a recipient in carrying out the recipient's program, specifically referring to compliance with statutory and administrative requirements and the extent to which actual program activities are consistent with the activities proposed.
The review currently examines 23 areas. In addition to helping evaluate grantees, the review gives FTA an opportunity to provide technical assistance on the latest FTA requirements and aids FTA in reporting to the Secretary, Congress, other oversight agencies, and the transit community on the Urbanized Area Formula Program.

Since May 1990, FTA has used contractors to assist its regional staff in conducting triennial reviews. FTA Regional Administrators are responsible for organizing the triennial review process. Contractors work closely with the Triennial Review Coordinators in each region. The contractor conducts desk reviews, which include interviewing FTA regional staff to gain an understanding of the grantee, prepares an agenda package and the transmittal letter, and is responsible for contacting the grantee, making arrangements for the site visit, conducting the site visit, and preparing the draft and final reports.

FTA staff has the ultimate responsibility for the triennial review. Monitoring, follow-up, and close-out of open findings are the responsibility of the regional office staff, primarily the Triennial Review Coordinators.

TRIENNIAL REVIEW WORKSHOPS WORKBOOK

This document is designed to serve as a guide for recipients of Urbanized Area Formula Grant funds. The workbook has three major sections:

- The introduction includes an overview of the triennial review process. This introductory section discusses the steps in conducting and documenting the review.

- The review areas provide detailed guidance for grantees. There is a section for each of the 23 triennial review areas. Each review area includes a summary of the basic requirement and identifies the major topics to be examined. The triennial review questions then are listed. Each question or group of questions is followed by an explanation of FTA's requirements; the reason for the question, citing the statutory, regulatory, or administrative source document; sources of information the reviewers should access during the desk review and site visit; the determination, or what constitutes a deficiency; and suggested corrective actions.

- The appendix includes exercises that are used during the Triennial Review Workshops (Note: these exercises are only distributed with the hard copy Workbooks at the workshops).

The appendices include a sample site visit agenda package and a final report.

This workbook provides an overview of FTA requirements. For additional details, reviewers should refer to the statutes, regulations, or FTA Circulars cited in the "Reason for Question" sections. This guide is not a substitute for these primary reference documents, but is a portable summary for the grantee's use, particularly during a site visit. Grantees should periodically consult FTA's homepage on the Internet (http://www.fta.dot.gov) for FTA's most recent policies and directives.

BACKGROUND ON THE TRIENNIAL REVIEW

In 1989, FTA issued Order 9010.1A to provide guidance to FTA staff on conducting triennial reviews as required by Section 5307 of the Federal Transit Act. Regional office and headquarters staff performed these original reviews. The following year, FTA began using contractors to assist with triennial reviews. By 1996, contractors participated in all reviews. The Triennial Review Order was updated and superceded by FTA Order 9010.1B, issued in April 1993. Additionally, in November 1994, FTA issued FTA Order 5400.1 "Oversight Reviews".

The triennial review program has been fine-tuned continuously. FTA has added areas to be reviewed to reflect new requirements (e.g., the ITS Architecture). The format and delivery schedule for the draft and final reports has been changed. The terms used when making findings have been revised. In addition, in 1993 FTA issued the first detailed Triennial Review

Handbook, now known as the Contractors' Guide, which is updated annually.

From 1989-1999, FTA required reviewers to prepare a comprehensive draft triennial review report that addressed the grantee's performance in each triennial review area and specified corrective actions. These reports, due within 30 days after the site visit, documented the grantee's activities and procedures for each particular area, including actions that were fully in compliance. During this decade, reviewers made determinations that the grantee was in compliance, in compliance with follow up, or not in compliance in each review area.

In April 1999, FTA instituted major changes in the Triennial Review process that revised the report format and time frame as well as the nature of the findings. With these changes, FTA instructed reviewers to deliver draft reports on site at the exit conference, with regional office concurrence. The report format was streamlined considerably. The new reports documented the findings only; narrative information not pertinent to the findings was omitted. The grantee was required to submit comments on the draft report to FTA within seven days. The regional office had another seven days to forward comments to the lead reviewer, and the final report was due 30 days after the site visit. A standard 90-day time frame for responding to the corrective actions was established, except for Drug and Alcohol findings, which usually required correction within 30 days.

Concurrent with these changes, findings were categorized as in compliance, deficient, not applicable, or not reviewed. Reviewers no longer made findings of non-compliance, and the follow-up category was eliminated. Similarly, though the final report would acknowledge any actions taken by the grantee and any findings that could be closed, the discussion of the deficiencies and the deficiency codes shown on the report's summary table remained unchanged and were included in OTrak, FTA's automated oversight tracking system.

In May 2000, FTA instituted an additional change in the triennial review finding codes. The finding of in compliance was changed to not deficient. The other finding codes remained as before.

Beginning with the reviews for FY2001, FTA also added questions in the Safety and Security area for which a finding of advisory comment is made.

FRAUD DETECTION AND REPORTING

The Office of Inspector General (OIG) of the United States Department of Transportation has established a Contract/Grant Program to promote the prevention and detection of fraud involving the expenditure of funds under the Federal Transit Laws. The OIG has four regional investigation offices, located in New York, Atlanta, Chicago, and San Francisco. In each OIG Regional Office, a senior special agent is designated as the Regional Contract/Grant Fraud Coordinator to handle all grant and contract fraud matters involving appropriate FTA regions.

If a reviewer detects or becomes aware of fraudulent activities involving FTA grant funds during a triennial review, he or she should contact the regional Triennial Review Coordinator as soon as possible. Be prepared to provide available information. It will be the responsibility of the regional coordinator to pursue the matter further, including contacting the appropriate Regional Contract/Grant Fraud Coordinator.

SCHEDULING AND COORDINATION OF TRIENNIAL REVIEWS

All FTA 5307 recipients are reviewed on a triennial basis. The current practice is to include all direct FTA grant-funded programs of these recipients during a triennial review, to include sections 5307, 5309, 5310, 5311, 5316, and 5317 grant activities. The regional staff determines each grantee's review cycle. The Contracting Officer's Technical Representative (COTR) assigns reviews to the contractors. The contractor's Project Manager is responsible for arranging a kick-off meeting with the regional staff and coordinating the development of a work plan for all activities assigned in that region. Specifically, the work plan should include a preliminary schedule of key milestones such as desk review and site visit dates for each grantee.

The triennial review site visit schedule discussed above should be coordinated with the other oversight reviews and/or audits to be conducted during the fiscal year. Once a preliminary triennial review schedule is developed, it will be shared by the COTR with the appropriate Program Offices. Each reviewer will be responsible to ensure that site visit dates for multiple reviews are coordinated through the regional office staff as much as possible.

APPROACH TO THE TRIENNIAL REVIEW

The triennial review involves the following major steps:

- Conduct the desk review
- Schedule the site visit
- Prepare the agenda package
- Contact the grantee
- Review grantee input and prepare draft report
- Finalize site visit schedule

- Conduct the site visit
- Prepare the final report
- Input findings in OTrak
- Finalize worksheets and source documents
- Provide technical assistance
- Close-out corrective actions.

Conduct the desk review. The desk review provides an opportunity to review documentation on file in the regional office and to discuss specific issues with the regional staff. The reviewers begin to complete the triennial review worksheets at this time. Information available in the regional office varies with the size and complexity of the grantee, but in general, the reviewers can access:

- TEAM System data to obtain information on open grants, including budgets, balances remaining, disbursement activity, and financial status and progress reports
- Certifications and Assurances
- Civil rights files
- Audit reports, if available, including any pertinent General Accounting Office (GAO) or Office of Inspector General (OIG) audits
- Planning files, including key documents and results of the Planning Certification Review
- National Transit Database correspondence
- Any complaints on file regarding civil rights, Americans with Disabilities Act (ADA) compliance, charter bus service, school bus service
- Project Management Oversight quarterly reports for major capital projects
- Buy America waiver requests
- Prior triennial review reports, findings, and files
- Other oversight reports and findings (Financial Management Oversight reports, Procurement System Reviews, etc.).

In addition, the contractors meet with regional staff to discuss specific issues included in the triennial review questions. The staff can identify particular concerns that should be highlighted in the agenda letter and during the site visit.

Schedule the site visit. During the desk review, a contractor or regional staff member contacts the grantee to identify a convenient date for the site visit. The site visit typically takes about one and one-half to two days for a small to mid-sized grantee, and several days for a larger, multi-modal grantee. The site visit should be scheduled at a time when the appropriate grantee officials will be available to meet with the review team and discuss the issues that are identified.

Prepare the agenda package. The review team prepares a package for the region to send to the grantee giving detailed information about the site visit. The agenda package includes a preliminary site visit schedule, information regarding the grantee profile, a list of documents required for the review, and the questions that remain to be answered. The site visit schedule should address the order in which the review areas will be covered and the time of day at which the topics will be addressed.

The list of documents assigns each item to one of two catagories: information that should be sent to the review team leader in advance of the site visit and documents that the grantee should have available on site. The documents requested in advance are due four to six weeks prior to the site visit.

The questions that remain to be answered during the site visit also are included in the agenda package. Grantees are requested to provide written answers to the review questions four to six weeks prior to the site visit.

The agenda package should be sent at least 8 to 10 weeks prior to the site visit to allow time for the grantee to gather the requested documentation, prepare written answers to the questions, and send the materials to the review team. The cover letter is prepared for signature by the Regional Administrator or the Director of the Office of Operations and Program Management and the regional office sends the entire package (hard copy and electronic version) to the grantee after receiving it from the contractor.

Contact the grantee. The reviewer should telephone the grantee seven to 14 days after the regional office sends the agenda package. This contact serves several purposes. It is a courtesy for the reviewer to introduce the team before arriving at the grantee's office. The reviewer can confirm that the agenda package arrived and ask the grantee if there are any questions about the items to be reviewed. The reviewers also can remind the grantee to send the materials and written answers to the questions by the due date. The reviewers can obtain directions to the grantee's office and get advice on other necessary logistics, such as software compatability and printer availability for printing the draft report.

Review grantee input and prepare draft report. The reviewer examines the materials and written answers to the questions that the grantee submits. After completing this step, the reviewer needs to decide if any items require follow-up with the grantee. This may be necessary if the grantee did not submit all of the requested information and/or did not provide complete answers to the questions. The reviewer should let the grantee know, by telephone, email, or letter, if the missing information/answers to follow-up questions need to be provided by a certain date before the site visit or can be made available during the site visit. After all the input provided by the grantee is reviewed, the reviewer should complete as much of the draft report as possible.

Finalize site visit schedule. The reviewer should finalize the site visit schedule and a list of grantee/contractor facilities to be visited after reviewing the the grantee's input. Any areas that do not require follow-up need not be discussed further during the site visit. The reviewer also may indicate to the grantee which procurements and facilities have been selected for examination during the site visit. This final schedule should be forwarded to the regional staff for approval, and then sent to the grantee at least seven days before the site visit date.

Conduct the site visit. It is important that the site visit be well planned and executed. All files, notes, and other papers that the reviewers use should be organized neatly. The reviewers should conduct themselves with professionalism and courtesy at all times. The atmosphere should not be adversarial. While FTA wants the discussion to be friendly, the time is limited and participants must stick to the agenda. Reviewers should observe the following procedures:

- Conduct entrance conference. The site visit begins with an entrance conference with the grantee's management officials. The entrance conference consists of a reiteration of the purpose of the review, a discussion of the findings of the desk review, and summarizes the steps in the preparation of the draft and final reports. The regional office staff participate in the entrance conference either in person or by telephone. The reviewer records the names and titles of all participants at the entrance conference. While the senior staff is assembed at the entrance conference, it is a good idea to go over the schedule for the site visit and confirm the expected time for the exit conference.

- Review each area. Following the entrance conference, the reviewer begins to discuss the outstanding questions in each review area. For reviews conducted by a team, only one team member should ask questions in a particular area. At the end of the questioning, the lead reviewer may invite further questions from other members of the team, but one person should have primary responsibility for the area. When the review of an area is complete, the reviewer should state that it is time to move on to the next area. It is important to stay focused on the area under review. Do not ask questions from another area. If necessary, make a note of the question and raise it at a later time.

- Visit facilities and inspect records. The reviewer should have selected the grantee/contractor facilities to be visited in advance of the site visit. The purpose of the visit is to verify that the facility is in transit use; allow the reviewers to make a general observation about the facility's condition; review preventive maintenance records for a sample of FTA funded revenue vehicles and facilities; and verify that the grantee has equipment control procedures.

- Complete the draft report and transmittal letter. At the end of the review but prior to the exit conference, ask the grantee to get answers to any remaining questions not yet resolved. For consistency among all reviews, it is important to use the language for corrective actions that appears in the contractors' guide.

- Receive input from regional staff. The review team should confer separately with the regional staff about the findings in each area. Follow the preferences of the region in issuing the draft report. Usually, the regional staff member on site will review the draft report and may sign a transmittal letter if one is to be issued. If no regional staff members are present at the site visit, the draft report or the Summary of Findings table and the transmittal letter should be faxed or e-mailed to the region for approval before the exit conference is to begin.

- Conduct exit conference. The site visit concludes with an exit conference. The regional office staff participate in the exit conference either in person or by telephone. The regional office staff thanks the grantee's staff for their cooperation. The reviewer then presents the draft report.

  The reviewer also discusses the timeframe for review of the draft report and issuance of the final report. The grantee has seven days to review the draft report and provide comments to the region. The regions have another seven days to prepare comment for the review team. Within 14 days of the site visit, the regional office should submit all comments on the draft report to the reviewer.

Prepare the final report. The reviewers will receive comments from the grantee and the region within 14 days and finalize the report within in 21 days after the site visit. The reviewers will transmit the final report file to the regions in MS Word format. The regional office will issue the final report to the grantee within 30 days after the site visit. The reviewer will place the final report in the grantee's folder on the TEAM system.

Input findings in OTrak. OTrak is the electronic oversight tracking system. The findings from each triennial review should be input to OTrak by the reviewer within 30 days of the submission of the final report.

Finalize worksheets, sources of documents, and files. Once the final report is issued, the reviewers finalize their worksheets and sources of documents for the review and submit the file electronically to the regional office. The reviewers prepare file folders with hard copies of supporting documents and mail the files to the regional office. The file structure is described in the following section. The electronic and paper files should be submitted no later than 30 days following the submission of the final report. The reviewer also will place the worksheets in the grantee's folder on the TEAM system.

Provide technical assistance. Reviewers may provide technical assistance to the grantees to close out open findings on an "as needed" basis for up to 90 days after the site visit. The triennial review contractors' Project Manager, with input from the reviewers, will coordinate with the regional staff to identify follow-up technical assistance needs and the time frame.

Close-out corrective actions. The regional office is responsible for monitoring the implementation of and closing out corrective actions that result from a triennial review. After the 90-day period for technical assistance noted above, the regional staff will provide technical assistance to the grantee if, needed.

TRIENNIAL REVIEW WORKSHEETS, SOURCES OF DOCUMENTS, AND FILES

The triennial review worksheets aid reviewers in the organization and completion of the work assignment and provide support for the findings made during the review. Worksheets are completed by reviewers electronically. The worksheets should include the name of the reviewer, the dates that the desk review and site visit were conducted, and the sources of the information used to develop findings and conclusions. The worksheets should include citations of documents and note where the documents can be found in the regional office and in the grantee's files. A complete set of worksheets should substantiate the fact that sufficient, competent documentation was obtained through inspection, observation, inquiries, and testing to afford a reasonable conclusive basis regarding any grantee finding.

Supporting documents that are provided by the grantee in advance of the site visit or made available on site should be organized in a set of files for each review. The following table lists the contents of paper and/or electronic files by topic area. Individual topic area files need to be prepared for each review set and should include the suggested contents. Each file should be properly labeled. The actual file contents will vary, depending on the size and complexity of each grantee. Reviewers should use their professional judgement in determining what documents to retain on file and what documents should be cross-referenced in the worksheets as accessible in FTA's or the grantee's files. Each region will determine the extent to which it wants to receive electronic files on a CD or a combination of paper and electronic files.

File Name	Applicable Contents
A. File Contents	- Table of Contents indicating which files are included in paper and/or electronic format (see example at the end of this section)
B. Final Report	- Final Report - Transmittal Letter
C. Worksheets	- Completed Worksheets
D. Administration	- Agenda package - Final site visit schedule - Sign-in sheets - Letters and e-mail correspondence with the region and grantee.
1. Legal	- Authorizing Resolution - Delegation of Authority
2. Financial	- Capital and Operating Budget - Financial Statements for the Past Three Years - Three to Five Year Capital and Operating Financial Plan - List of ECHO Drawdowns examined - Audit reports with findings related to the grantee
3. Technical	- Organization Chart - Grant Management Procedures - Grant Close-Out Schedule - Cost-effectiveness Evaluation for Capital Leases
4. Satisfactory Continuing Control	- Sample of property leases - Excess Real Property Inventory/Utilization Plan - Sample of property records of federally funded equipment - Proof of inventory and inventory reconciliation
5. Maintenance	- Maintenance plans - Sample of maintenance requirements for contracted services (e.g., contracts and/or RFPs) - List of buses and rail cars selected in the PM inspection sample
6. Procurement	- Procurement policies - List of procurements examined
7. DBE	- Proof of UCP Agreement - DBE complaints
8. Buy America	- Audit procedures, if applicable
9. Suspension/ Debarment	- None
10. Lobbying	- Standard form LLL updates

File Name	Applicable Contents
11. Planning/POP	- MPO Agreement - Public Participation Procedures - TIP/POP Public Notices - Planning process complaints
12. Title VI	- Service standards - Title VI complaints
13. Public Comment Process for Fare Increases and Service Reductions	- Procedures for Public Comment on Fare Increases and Major Service Reductions
14. Half Fare	- Fare structure description - Half-Fare Program Description
15. ADA	- Public information materials describing Complementary Paratransit service, eligibility, and appeals - Operating policiesregarding ADA Paratransit tripreservations and scheduling - Performance reports, including on-time pickups, denial rate, no shows etc. - Procedures describing accessibility policies including stop announcements,lift use, etc.
16. Charter Bus	- Publication of Annual Notice - Charter Policy/Procedures
17. School Bus	- Bus schedules and/or system map
18. National Transit Database (NTD)	- Exemption/Waiver Letters, if applicable
19. Safety and Security	- Documentation supporting security expenditures
20. Drug-Free Workplace	- Drug-Free Workplace Policy - Correspondence/notification to employees
21. Drug and Alcohol Program	- Drug and Alcohol Program - Evidence of monitoring program
22. Equal Employment Opportunity (EEO)	- Organization chart - EEO Complaints
23. ITS Architecture	- Evidence of inclusion of projects in Regional Architecure

Grantees who submit electronic files should be instructed to organize the files according to review area. That is, a folder should be created for each review area and all files for that area should be placed in the folder. Files should be named according to the list of documents in the agenda package so that the reviewer can easily determine what each file includes. This ensures that consistency will be maintained between reviews and between regions. The following example shows the naming convention that should be used when organizing electronic responses:

Example: Folder/File Naming Convention

Review Area/ Document	Folder/File Name
2. Financial	2_Financial
a. Capital and Operating Budget for the Current Fiscal Year	2a_FY09 Budget.doc
b. Financial Statements for the Past Three Years	2b1_FY08 FinStmts.doc
	2b2_FY07 FinStmts.doc
	2b3_FY06 FinStmts.doc
c. Three to Five Year Capital and Operating Financial Plan	2c_Financial Plan.doc

If a particular file is relevant to more than one area, the grantee can create a shortcut to that file rather than include a duplicate. However, the shortcut should be given a name that corresponds to the list of documents in the agenda package as shown in the example above.

QUALITY CONTROL

Quality control checks are built in every step of the triennial review program. This workbook establishes common steps to be followed in conducting triennial reviews in all FTA regions. This workbook also presents a common interpretation of FTA requirements and corrective actions to be implemented when a grantee is deficient. Grantees should contact their respective Project Managers with questions and/or clarification; or when faced with an unusual situation. The Project Manager may decide to seek additional guidance from the COTR/Program Offices so that findings are consistent with FTA's interpretation of the requirement. The grantees should not contact the COTR/Program Offices directly about the information presented in this guidance document.

FTA provides extensive training to the triennial review contractors' team members. New contractor team members should receive classroom training on FTA requirements and the contents of the contractors' guide. They also receive practical training by accompanying experienced reviewers on several desk reviews and site visits. FTA updates the contractors' guide annually.

Other quality control steps include regional staff oversight. Reviewers work closely with the regional staff during every step of a triennial review. After the desk review, the regional staff reviews an agenda package before it is forwarded to the grantee by the region. Draft reports are expected to be reviewed by an experienced member of the contractors' team, other than the one who is responsible for conducting the site visit. The regional staff review and provide comments on the draft report before it is transmitted to the grantee during the exit conference. The final report is reviewed and edited by an experienced member of the contractors' team before it is forwarded to the regional staff. The regional staff reviews the final report before it is forwarded to the grantee.

PERFORMANCE REPORTING

The Monthly Triennial Review Performance Measures Report prepared by FTA tracks the timely issuance of the final reports to the grantees and the number of findings closed. The timely issuance of the final report is tracked based on the date that the final report was sent to the grantee by the region. In order to accurately track this date, the region will copy the reviewer when they issue the final report to the grantee.

RELATIONSHIP OF THE TRIENNIAL REVIEW TO OTHER OVERSIGHT REVIEWS

The triennial review is only one of FTA's oversight tools. Other reviews may result from the findings of the triennial review.

The reviewers should ascertain from the regional office the status of any special purpose reviews. When FTA has scheduled other oversight activities with a grantee, the reviewers should coordinate the triennial review site visit schedule through the regional office.

In some cases, if a special purpose review or an audit has been conducted in the past two fiscal years, or if one is scheduled for the current fiscal year (FYs 2007, 2008, and 2009), a review of that area is not necessary and a finding of "Not Reviewed" (NR) should be made. A special purpose review or an audit is considered to be conducted if a site visit was, or is scheduled to be, completed during the three year period mentioned above, even if the final report has not been issued. In other cases, the reviewer should ask some or all of the triennial review questions on the worksheets. Specific guidance for each type of special purpose review or audit follows.

Full Scope Financial Management Oversight Review (FMO)

Description – The FMO was established to assess a grantee's financial management systems in order to determine whether they meet the standards of the Common Rule (49 CFR 18.20). The contractors conduct an initial desk review in the regional office, followed by an on-site assessment phase that lasts approximately one week, followed by an on-site final testing phase that lasts from one to three weeks. The contractors generate a draft and a final report in which they express an objective, external, independent professional opinion to FTA in accordance with established public accounting standards on the effectiveness of the grantee's internal control environment. The seven standards for financial management systems stated in the Common Rule are: Financial Reporting, Accounting Records, Internal Control, Budget Control, Allowable Costs, Source Documentation, and Cash Management. The findings in an FMO report may impact other areas of a triennial review beyond Financial (e.g., Satisfactory Continuing Control, Maintenance, etc.).

Guidance – If an FMO review has been conducted in the past two fiscal years, or if one is scheduled for the current fiscal year (FYs 2007, 2008, and 2009), triennial reviewers should eliminate the questions in the Financial area under *Part B: Funds Management* and *Part C: Audits* in the Financial area.

Follow-Up Financial Management Oversight Review (FMO)

Description – These reviews are performed primarily to ensure that recommendations resulting from full scope reviews were implemented and working properly. If this type of review is performed, it will occur between 12-18 months after the full scope review. Contractors conduct a regional office desk review to gather data on the initial review, followed by an on-site assessment and testing phase. The on-site phase lasts generally one to two weeks. A draft and final report is generated as a result of this review.

Guidance – If a Follow-up FMO review has been conducted in the past two fiscal years, or if one is scheduled for the current fiscal year (FYs 2007, 2008, and 2009), triennial reviewers should note it on the worksheets. All questions in the Financial area of the triennial review guidance should be asked.

Financial Capacity Assessments (FCA)

Description – These assessments are conducted for selected grantees involved in major capital investment projects to assess their financial capability to meet Full Funding Grant Agreement (FFGA) obligations. Consideration is given not only to the ability of the grantee to fulfill the requirements of the FFGA, but also to the financial capacity of the grantee in general. The FCA process varies from grantee to grantee, but generally involves an initial assessment and report, followed by periodic monitoring of the grantee for a certain period of time.

Guidance – If an FCA has been conducted in the past two fiscal years, or if one is scheduled for the current fiscal year (FYs 2007, 2008, and 2009), the questions in *Part A – Financial Capacity* in the Financial area of the triennial review can be eliminated.

Procurement System Review

Description – Depending on the results of the annual risk assessment, FTA may schedule a Procurement System Review (PSR) of particular grantees. In addition to assessing the grantee's compliance with the requirements of FTA C 4220.1F, the PSR encourages improved operations and fosters best practices in the procurement area. There are three phases to the PSR.

- Assessment Phase – This phase examines the grantee's organizational structure, management direction, and policies and procedures. The assessment includes a review of documentation and interviews with staff at the regional office (i.e., desk review), a review of documents provided by the grantee, and an initial site visit to conduct interviews with grantee staff. The result of these activities is an assessment of the grantee's procurement system as a whole through an overall risk rating of low, medium, or high.

- Contract Review Phase – In this phase, a sample of contracts is reviewed for compliance with FTA requirements. The sample typically includes contracts for each method of procurement (i.e., micro-purchase, small purchase, RFP, IFB, and sole source). The number of contracts selected for each method is dependent on the grantee's size, number of modes operated, and overall risk rating. As many as 34 individual procurements (possibly more in some cases) may be selected for review. The sample contracts are reviewed during a second site visit in which preliminary findings are established and an exit conference is conducted with the grantee.

- Reporting Phase – Within 30 days of the second site visit, a draft report summarizing the findings from the Assessment and Contract Review phases is prepared and submitted to FTA for review and comment. The report then is issued to the grantee. Grantees are asked to develop corrective action plans and schedules based on the findings and submit them and any comments to the regional office and/or reviewer within 30 days. The reviewer prepares the final report incorporating the grantee's action plan and comments, submitting it to FTA within 14 days. All work papers supporting the final report are filed with the FTA regional office.

Guidance – If a PSR has been conducted in the past two fiscal years or if one is scheduled for the current fiscal year (FYs 2007, 2008, and 2009), a review of the procurement area is not necessary and a finding of "Not Reviewed" (NR) should be made.

Disadvantaged Business Enterprise (DBE) Compliance Review

Description – DBE Compliance Reviews assess grantee compliance with the DBE regulations. The review covers each agency's policies, procedures, and record keeping. DBE compliance reviews last two to three days and assess implementation of the DBE program in 12 areas: Policy Statement, DBE Liaison Officer, Financial Institution, DBE Directory, Over-Concentration, Business Development Programs, Determining/Meeting Goals, Required Contract Provisions, Certification Standards, Certification Procedures, Record Keeping and Enforcements, and Public Participation and Outreach.

After the review is complete, the review team conducts an exit interview presenting the findings, if any, to the grantee. A draft report documenting the deficiencies and necessary corrective actions is provided to the grantee within 30 days of the site visit. A letter and final report is issued to the grantee within 60 days of the site visit. The grantee then has 90 days to take corrective actions and provide appropriate documentation to the Civil Rights Officer (CRO). The CRO issues a closeout letter once the grantee is fully in compliance.

Guidance – If a DBE Compliance Review site visit has been conducted within the past two fiscal years, or if one is scheduled for the current fiscal year (FYs 2007, 2008, and 2009), triennial reviewers should note on the worksheets when the compliance review was performed. If findings from the DBE Compliance Review are still being monitored, or if the review is pending, the triennial review will not include this area and a finding of "Not Reviewed" (NR) should be made. If the DBE Compliance Review is closed, the reviewer should seek guidance from the Regional Civil Rights Officer and the Office of Civil Rights on whether or not to include the DBE area in the review.

Planning Certification Review

Description – The Planning Certification Review (PCR) is statutorily required once every three to four years in all Transportation Management Areas, those metropolitan areas having a population of 200,000 or more. Conducted jointly by FTA and the Federal Highway Administration (FHWA), the PCR is one of the tools used to enhance the effectiveness of federal oversight of the Metropolitan Planning Process. The PCR is the basis for the federal certification that planning processes are being carried out in accordance with the joint planning requirements of 23 USC 134 and 49 USC 5303.

The PCR process includes a desk review, on-site interviews with all participants in the planning process, such as the Metropolitan Planning Organization, state and local government officials, public transportation providers, and input from the public, and concludes with a final report of findings and recommendations.

Guidance – The reviewer should determine when the last PCR was conducted and should review the PCR report during the desk review. The report typically includes a number of findings and recommendations, but only those issues that affect the grantee's participation in the metropolitan planning process are relevant to the triennial review. The reviewer should verify the status of those findings and determine if corrective actions have been implemented on schedule. Reviewers should ask all of the questions in the planning area.

Title VI Compliance Review

Description – The Title VI Compliance Review assesses grantee compliance with the Title VI regulations. The review covers each agency's policies, procedures, and record keeping. Title VI Compliance Reviews last two to three days and assess implementation of the Title VI program. After the review is complete, the review team conducts an exit interview presenting the findings, if any, to the grantee. A draft report documenting the deficiencies and necessary corrective actions is provided to the grantee within 30 days of the site visit. A letter and final report is issued within 60 days of the site visit. The grantee then has 90 days to take corrective actions and provide appropriate documentation to the CRO.

Guidance – If a Title VI Compliance Review has been conducted in the past two fiscal years or if one is scheduled for the current fiscal year (FYs 2007, 2008, and 2009), triennial reviewers should note on the worksheets when the compliance review was performed. If findings from the Title VI review are still being monitored, or if the Title VI review is pending, the triennial review will not include this area and a finding of "Not Reviewed" (NR) should be made. If the Title VI review is closed, the reviewer should seek guidance on whether or not to conduct the review from the Regional Civil Rights Officer and the Office of Civil Rights.

Americans with Disabilities Act Compliance Reviews

Description – Consistent with FTA's oversight responsibilities, FTA has initiated a program of on-site assessments of grantee compliance with ADA requirements. The assessments target a particular area of the ADA and the implementing regulations, such as ADA complementary paratransit, key stations, fixed route stop announcements, and fixed route bus lift and maintenance reliability. The assessment process includes collection of data prior to the site visit, an opening conference, observation and data collection on site, and an exit conference. The FTA staff provides the grantee a written report documenting the findings and necessary corrective actions. The grantee then is responsible for correcting deficiencies and providing appropriate documentation to the CRO.

Guidance – If the ADA Compliance Review of the grantee has been conducted in the past two fiscal years or if one is scheduled for the current fiscal year (FYs 2007, 2008, and 2009), the reviewer should note on the worksheet when the compliance review occurred. If findings from the ADA Compliance Review are still being monitored, or if the review is pending, the triennial review will not include those questions covered by the compliance review. If the ADA Compliance Review is closed, the reviewer should seek guidance from the Regional Civil Rights Officer and the Office of Civil Rights on whether or not to include those questions in the triennial review. The triennial review will include the other ADA questions not addressed in the ADA Compliance review.

Drug and Alcohol Program Audit

Description – Drug and Alcohol Program Audits assess grantee compliance with the drug and alcohol regulations. The audit is comprehensive in nature, including a review of each agency's policies, procedures, and recordkeeping. The vendors, including collection sites, Medical Review Officers, and Substance Abuse Professionals also are interviewed and a mock collection is performed.

After the audit is complete, the audit team conducts an exit interview presenting the findings, if any, to the grantee. A letter and final report documenting the deficiencies and necessary corrective actions is provided to the grantee during the exit interview. The grantee then has 90 days to take corrective actions and provide appropriate documentation to the audit team. The Office of Safety and Security issues a closeout letter once the grantee is fully in compliance.

Guidance – If a Drug and Alcohol Program compliance audit has been conducted in the past two fiscal years or if one is scheduled for the current fiscal year (FYs 2007, 2008, and 2009), a review of the

Drug and Alcohol Program area is not necessary and a finding of “Not Reviewed” (NR) should be made.

Equal Employment Opportunity (EEO) Compliance Review

Description – FTA has initiated a program to assess grantee compliance with the EEO regulations. The review addresses the grantee’s policies, procedures, and record keeping. The EEO compliance review assesses the implementation of the EEO program in seven areas: policy statement, dissemination of the policy, designation of personnel responsibility, utilization analysis to identify any underutilization and/or an overconcentration of minorities and women, goals and timetables to correct underutilization or over concentration, and a monitoring and reporting system to assess EEO accomplishments.

After the review is complete, the review team conducts an exit interview presenting the findings, if any, to the grantee. A draft report documenting the deficiencies and necessary corrective actions is provided to the grantee within 30 days of the site visit. A letter and final report is issued within 60 days of the site visit. The grantee has 90 days to take corrective actions and provide appropriate documentation to the CRO. The CRO issues a closeout letter once the grantee is fully in compliance.

Guidance – If an EEO Compliance Review has been conducted in the past two fiscal years or if one is scheduled for the current fiscal year (FYs 2007, 2008, and 2009), triennial reviewers should note on the worksheets when the compliance review was performed. If findings from the EEO review are still being monitored, or if the EEO review is pending, the triennial review will not include this area and a finding of “Not Reviewed” should be made. If the EEO review is closed, the reviewer should seek guidance on whether or not to conduct the review from the Regional Civil Rights Officer and the Office of Civil Rights.

TRIENNIAL REVIEW WORKSHOPS WORKBOOK UPDATES

The Workshops Workbook is updated annually, to coincide with the beginning of the triennial review cycle at the start of the federal fiscal year. The information in the Workbook is kept up to date during the fiscal year by issuing program advisories as needed. If changes to an area are extensive, the guidance for that area may be revised completely and shared with the recipients of the Workbook.

PROGRAM ADVISORIES

Program advisories are issued by the COTR periodically to clarify and/or correct guidance and procedures in triennial review areas. Program advisories include an expiration date for the end of the program year and any permanent changes necessitated by an advisory are incorporated into the Workshops Workbook update for the following fiscal year.

FTA AND CONTRACTOR CONTACTS

A list of contacts for the triennial review program is included at the end of this section. The list includes contacts for FTA headquarters, regional offices and metropolitan offices as well as the names of key personnel for the triennial review contractors.

A. File Contents
FY2008 Triennial Review Files
<grantee name>

Area	Paper Files (a)	Electronic Files on CD (a)
A. File Contents		
B. Final Report		
C. Worksheets		
D. Administration		
1. Legal		
2. Financial		
3. Technical		
4. Satisfactory Continuing Control		
5. Maintenance		
6. Procurement		
7. Disadvantage Business Enterprise		
8. Buy America		
9. Suspension/Debarment		
10. Lobbying		
11. Planning/Program of Projects		
12. Title VI		
13. Public Comment Process for Fare and Service Changes		
14. Half-Fare		
15. ADA		
16. Charter Bus		
17. School Bus		
18. National Transit Database		
19. Safety and Security		
20. Drug-Free Workplace		
21. Drug and Alcohol Program		
22. Equal Employment Opportunity		
23. ITS Architecture		

(a) Indicate if files are included: Yes or No

FY2009 Triennial Review Program
List of Contacts

FTA Office/ Organization	First Name	Last Name	Title/Area	Street Address	City	State	Zip Code	Phone	E-mail
FTA Headquarters	Khuong	Luu	COTR	1200 New Jesey Ave., S.E. 4th Floor East Building	Washington	DC	20590	202-366-1898	Khuong.Luu@dot.gov
FTA Headquarters	Jayme	Blakesley	Buy America	1200 New Jesey Ave., S.E. 4th Floor East Building	Washington	DC	20590	202-366-0304	Jayme.Blakesley@dot.gov
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FTA Headquarters	Amber	Ontiveros	Civil Rights	1200 New Jesey Ave., S.E. 4th Floor East Building	Washington	DC	20590	202-366-5130	Amber.Ontiveros@dot.gov
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FTA Headquarters	Linda	Barnes	Financial Management	1200 New Jesey Ave., S.E. 4th Floor East Building	Washington	DC	20590	202-366-1632	Linda.Barnes@dot.gov
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FY2009 Triennial Review Program
List of Contacts, *continued*

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