

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 10/9/2024

Staff Report No. 24-489

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager/Chief Executive Officer
SUBJECT: 2024 Federal Transit Administration (FTA) Triennial Report Review

BRIEFING ITEM

AGENDA PLANNING REQUEST:

RECOMMENDED ACTION(S):

Consider receiving a report regarding the 2024 Federal Transit Administration (FTA) Triennial Review.

Staff Contact:
Alan Parello, Manager of Internal Audit

STRATEGIC IMPORTANCE:

Goal - Financial Stability and Resiliency

The FTA Triennial review and final report validates that the District has sound fiscal and regulatory processes and controls in place.

BUDGETARY/FISCAL IMPACT:

There is no budgetary or fiscal impact associated with this report.

BACKGROUND/RATIONALE:

The FTA conducts Triennial Reviews of all U.S. transit properties receiving FTA funds. The Triennial Review is a comprehensive evaluation of District compliance with FTA requirements governing the use of FTA funds. The review covers three fiscal years of activity and is also an assessment of AC Transit grant management practices and program implementation. Once the review is completed, the FTA produces a final report identifying areas of deficiency, recommendations for improvement, and required District actions and timelines for implementation.

The FTA Triennial Review, covering July 1, 2021 to June 30, 2024, is now complete. The review covered 23 topical areas. There were no deficiencies identified by the FTA in 21 of these areas, however, there were findings in two areas, which are summarized below along with the corrective actions taken.

- ***Satisfactory Continuing Control***
The District had a fixed-route bus spare ratio that exceeded 20% when it was awarded federal funds for new vehicle purchases in 2022. FTA requires that applicable recipients with a spare ratio higher than

20% justify the reason for the acquisition of new vehicles at the time the award application is submitted.

FTA has asked the District to prepare a short-term spare ratio deviation request and a detailed plan to reduce the spare ratio to 20% within the next 2 years. AC Transit subsequently submitted the short-term spare ratio deviation request and a plan to reduce the spare ratio to 20%. FTA determined that the corrective action documentation was sufficient and this deficiency has now been closed.

- **Procurement**

An FTA-funded contract did not contain all FTA required elements. The elements not found in the contract included verification that the contractor was not debarred or suspended prior to the award, a sole source justification, and a required cost or price analysis.

FTA has asked that AC Transit verify that the contractor was not debarred or suspended prior to the award and that Procurement staff training be completed in all three areas where the missing contract elements occurred. AC Transit subsequently confirmed that the contractor was not debarred or suspended at the time of the award. Staff training was also successfully completed in all three areas of the missing contract elements. FTA determined that the corrective action was sufficient, and this deficiency has now been closed.

ADVANTAGES/DISADVANTAGES:

The report does not recommend a course of action with notable advantages or disadvantages.

ALTERNATIVES ANALYSIS:

This report is being provided to inform the Board of Directors of the results of the District's 2024 Federal Transit Administration Review.

PRIOR RELEVANT BOARD ACTION/POLICIES:

There are no prior relevant Board actions/policies associated with this report.

ATTACHMENTS:

1. 2024 FTA Triennial Review Report and Closure Memo

Prepared by:

Alan Parello, Manager of Internal Audit

Approved/Reviewed by:

Michael A. Hursh, General Manager/Chief Executive Officer