



Florida Department of TRANSPORTATION

Office of Inspector General

Robert E. Clift, Inspector General

A handwritten signature in blue ink that reads "Robert E. Clift".

January 28, 2015

Advisory Report No. 14I-4001

Review of Joint Participation Agreements between District Seven and TBARTA

EXECUTIVE SUMMARY

The Office of Inspector General (OIG) conducted a review of the Florida Department of Transportation's (department) District Seven's Joint Participation Agreements (JPAs) with the Tampa Bay Area Regional Transportation Authority (TBARTA). The purpose of this engagement was to determine if funding was provided to TBARTA in accordance with the General Appropriations Act, the department's Disbursement Operations Office Handbook, and applicable agreement terms, laws, rules, and regulations. We reviewed 13 JPAs executed between July 1, 2008, and October 31, 2013, totaling \$6,736,500 (see Attachment 1).

In 2007, through implementation of Chapter 343, Part V, Florida Statutes (F.S.), TBARTA was created to improve mobility, and expand multimodal transportation options for passengers and freight throughout the seven-county Tampa Bay region comprising Citrus, Hernando, Pasco, Hillsborough, Pinellas, Manatee, and Sarasota counties. TBARTA's purpose was described in the establishing legislation as identifying areas of the Tampa Bay region where multimodal mobility, traffic safety, freight mobility, and efficient emergency evacuation alternatives can be improved as well as identify proposed project costs and revenue sources.

In 2008, TBARTA was appropriated \$2,000,000 as temporary support for start-up administration and other expenses. **We determined** funds appropriated under CSFA 55.028,¹ established specifically for TBARTA, were provided in accordance with the General Appropriations Act. In 2011, TBARTA's \$640,953 unexpended start-up funding was vetoed and reverted.

¹ Catalog of State Financial Assistance (CSFA) 55.028 (effective fiscal years 2008-09 through 2010-11) was established to provide discretionary funds to TBARTA for all related and supporting administrative/operational expenditures, any associated outreach actions and fixed capital outlay related to organizational agency startup activities. Funding was specified to be for the provision of regional transportation options to the region identified as Citrus, Hernando, Pasco, Pinellas, Hillsborough, Manatee, and Sarasota counties.

**Office of Inspector General
Florida Department of Transportation**

In 2010, TBARTA sought assistance from the department to secure additional funding sources, which led to the merger with Bay Area Commuter Services, Inc. (BACS) and resulted in TBARTA assuming BACS's responsibility for:

- carpool and commuter vanpool matching;
- working with businesses on programs such as compressed work weeks and/or variable work hours; and
- other services designed to decrease highway congestion.

District Seven and TBARTA then executed two JPAs in 2010 under the Commuter Assistance Program (CSFA 55.007) and in 2012 an additional three JPAs were executed under the same program. From 2010 to 2013, District Seven and TBARTA also executed four JPAs under federally-funded programs (see Attachment 2).

Based on our review, **we determined** between fiscal years 2010-11 and 2012-13, the Commuter Assistance Program provided 57 percent of TBARTA's funding, which is being used for commuter services and to fulfill their legislatively created responsibilities as a regional transportation authority.

We recommend District Seven's Secretary ensure Commuter Assistance Program funds are utilized by TBARTA only for carpool, vanpool, and other commuter services in the Tampa Bay region (see also the related finding and recommendation below).

We also determined District Seven did not include a minimum level of service to be performed and criteria for evaluating completion of each deliverable in TBARTA's agreements as required by the Commuter Assistance/Rideshare Grant (CSFA 55.007) Compliance Supplement and Section 215.971, F.S.

We recommend District Seven's Secretary ensure TBARTA's active Commuter Assistance Program JPAs are amended and that future JPAs are executed in accordance with the CSFA 55.007 Compliance Supplement and Section 215.971, F.S., specifically to include a detailed line item budget with employees' salaries, tasks, and quantifiable units of deliverables for evaluating successful completion of the scope pursuant to agreement terms. As part of the department's CPR (consistent, predictable, repeatable) process, District Seven should consult Central Office's Transit Office for technical assistance on defining an acceptable scope of work.

Three observations are summarized on pages 12 and 13:

- CSFA 55.028 – FY 2013-14
- Outside of TBARTA's Boundaries
- Inform and Educate Elected Officials

**Office of Inspector General
Florida Department of Transportation**

TABLE OF CONTENTS

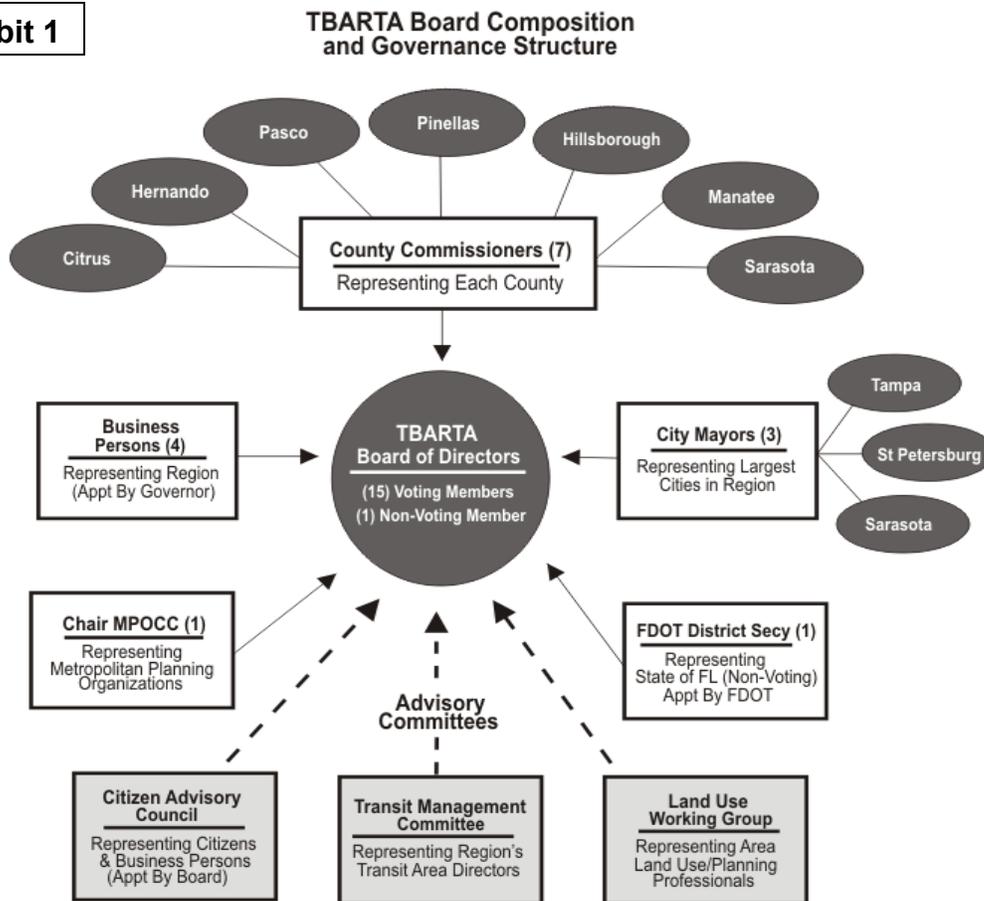
<u>BACKGROUND AND INTRODUCTION</u>	4
<u>RESULTS OF REVIEW</u>	7
Finding 1 – General Appropriations Act	7
Finding 2 – Agreement Terms	10
Observations	12
<u>APPENDIX</u>	
A. Purpose, Scope, and Methodology	14
B. TBARTA Response	15
C. Inspector General Response to TBARTA’s Comments	17
D. Management Response	19
<u>DISTRIBUTION, PROJECT TEAM, AND STATEMENT OF ACCORDANCE</u>	20
<u>ATTACHMENT</u>	
1. Joint Participation Agreements Reviewed	21
2. Timeline of Activities Based on State’s Fiscal Years	22

BACKGROUND AND INTRODUCTION

TBARTA Profile

In 2007, Senate Bill 506 established the Tampa Bay Area Regional Transportation Authority (TBARTA) through implementation of Chapter 343, Part V, F.S. TBARTA was created to improve mobility and expand multimodal transportation options for passengers and freight throughout the seven-county Tampa Bay region comprising Citrus, Hernando, Pasco, Hillsborough, Pinellas, Manatee, and Sarasota counties. TBARTA’s purpose was described in the establishing legislation as identifying areas of the Tampa Bay region where multimodal mobility, traffic safety, freight mobility, and efficient emergency evacuation alternatives can be improved as well as identify proposed project costs and revenue sources. Identified projects, costs, and revenue sources were outlined in TBARTA’s 2009 Regional Master Plan adopted by their governing board and updated every two years. TBARTA’s governing board consists of 15 voting members: 11 elected officials and 4 appointees. The Department of Transportation’s District Secretary acts in an ex-officio, non-voting capacity. Three advisory committees² provide advice and support to the governing board and all committee members are volunteers.

Exhibit 1



² Citizen Advisory Council, the Transit Management Committee, and the Land Use Working Group

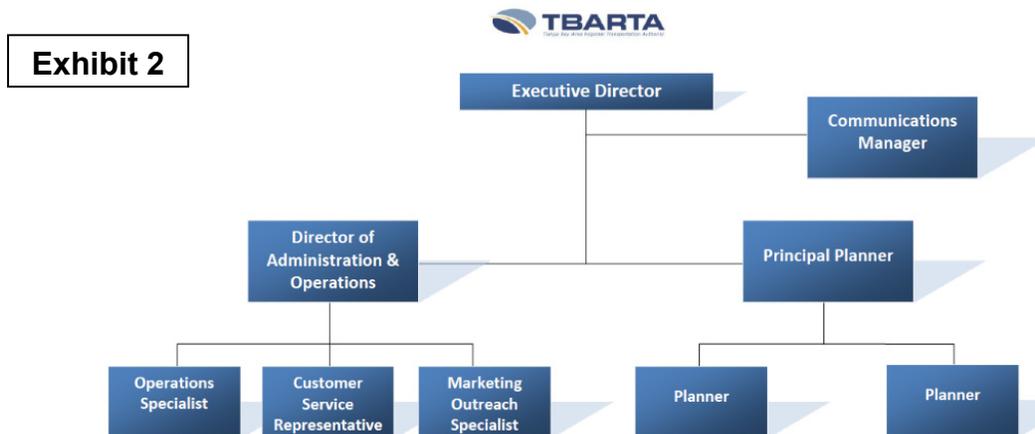
TBARTA Funding and Staffing

Effective July 2008, TBARTA was appropriated \$2,000,000 as temporary support for start-up administration and other expenses, which included a \$500,000 advance payment.³ Catalog of State Financial Assistance (CSFA) 55.028 was established for tracking and reporting this funding. In 2011, the Governor vetoed⁴ funding to TBARTA, which resulted in TBARTA reverting \$640,953 of unexpended operational start-up funds appropriated under CSFA 55.028.

In December 2008, the department’s District Seven Intermodal Systems Development Manager resigned to accept TBARTA’s Executive Director position, which he held until June 2014.

Since TBARTA’s initial start-up funds needed to go through re-appropriation each year, TBARTA sought assistance from the department in 2010 to secure additional funding sources leading to the merger with Bay Area Commuter Services, Inc. (BACS).⁵ BACS was created in 1992 and received Commuter Assistance Program (CSFA 55.007) funds for a small fleet of vans to provide commuter services through a partnership of private individuals, businesses, and public entities. Because of the merger, TBARTA assumed BACS’s responsibility for carpool, vanpool, group taxis, emergency rides home, and other services that increased vehicle occupancy and decreased highway congestion.

The TBARTA-BACS consolidation in April 2010 brought together prior staff working on commuter services (Director of Operations and Administration, Customer Service, and Marketing Specialist) and new staff hired to promote TBARTA’s purpose through speaking engagements and planning studies (Communications Manager and Principal Planner). TBARTA provided the organizational chart (Exhibit 2) in April 2014.



³ Pursuant to Section 216.181(16), F.S., an advance payment is authorized for program start-up services. The amount that may be advanced shall not exceed the expected cash needs of the recipient within the initial three months. Thereafter, disbursements shall only be made on a reimbursement basis.

⁴ Source: Governor’s Veto List 2011, Line B0069.

⁵ A 501c3 non-profit organization that promoted transportation choices to the single occupant vehicle in the Tampa Bay area and surrounding counties.

**Office of Inspector General
Florida Department of Transportation**

Commuter Assistance Program (CSFA 55.007)

The Commuter Assistance Program Joint Participation Agreements (JPAs) are cost reimbursement grants. To receive reimbursement, funds are first expended and invoices are then submitted to the district for review and approval along with progress reports containing commuter information, major accomplishments, and cost-savings data.

Between fiscal years 2010-11 and 2012-13, District Seven and TBARTA executed five Commuter Assistance Program JPAs totaling \$3,045,000, which included two advance payments totaling \$457,500 (see Attachment 2). In emails dated March 8, 2012, and July 3, 2012, from TBARTA's former Executive Director to District Seven, TBARTA requested the advances to assist with their cash flow needs.

During the same period, a total of \$9,075,285 was expended under the Commuter Assistance Program by 23 recipients in districts 1 through 7 with TBARTA expending \$3,423,514, or 38 percent, as shown below.⁶ Due to the merger, TBARTA absorbed BACS's expenditures.

Exhibit 3

**Commuter Assistance Program Recipients
and Funds Expended from FY 2010-11 through 2012-13**

District	Recipient	Expended
7	TAMPA BAY AREA REGIONAL (TBARTA)	\$ 3,423,514.09
6	MIAMI-DADE COUNTY FLORIDA	\$ 1,019,401.79
3	FLORIDA STATE UNIVERSITY	\$ 730,865.52
3	WEST FLORIDA REGIONAL PLANNING	\$ 650,320.37
6	KEY WEST CITY OF	\$ 489,619.83
4	MIAMI-DADE COUNTY FLORIDA	\$ 362,783.22
7	JACOBS ENGINEERING GROUP INC.	\$ 303,416.29
4	SOUTH FLORIDA EDUCATION CENTER	\$ 254,292.67
3	BIG BEND TRANSIT, INC.	\$ 238,375.15
7	UNIVERSITY OF SOUTH FLORIDA	\$ 207,933.84
4	BROWARD COUNTY BOCC	\$ 204,523.55
2	RIDE SOLUTION INC	\$ 172,356.50
7	TAMPA DOWNTOWN PARTNERSHIP INC	\$ 161,649.68
7	WESTSHORE ALLIANCE	\$ 145,115.75
4	DOWNTOWN FORT LAUDERDALE	\$ 145,040.11
7	ST PETERSBURG DOWNTOWN	\$ 127,005.95
2	BIG BEND TRANSIT, INC.	\$ 115,806.61
1	LEE COUNTY BOARD OF COUNTY COMM	\$ 80,498.00
1	SARASOTA COUNTY BCC	\$ 67,709.87
5	BREVARD CO BOARD CO COMM'S	\$ 67,144.12
2	JACKSONVILLE TRANSPORTATION	\$ 40,064.21
3	OKALOOSA COUNTY BOCC	\$ 30,671.68
5	CENTRAL FLORIDA REGIONAL TRANSP	\$ 17,044.08
4	THE ARC OF THE GLADES INC	\$ 11,175.97
5	VOLUSIA COUNTY COUNCIL	\$ 8,956.49
Total Commuter Assistance Program Expended:		\$ 9,075,285.34

⁶ Data for the State's fiscal years (7/1/2010 – 6/30/2013) was obtained from the department's FLAIR Information Delivery Option using object code 750007, which pertains to the Commuter Assistance Program. We did not examine the recipients' invoices or expenditures.

**Office of Inspector General
Florida Department of Transportation**

RESULTS OF REVIEW

We identified three JPAs from which TBARTA received advance payments:

Year	Advance Amount	JPA	CSFA No.
2008	\$500,000	APB29	55.028
2012	\$245,000	AQK86	55.007
2012	\$212,500	AQV33	55.007

We determined the department’s approval of advance payments complied with the Disbursement Operations Office Handbook and Section 216.181(16), F.S.

We also determined \$2,200,000 was appropriated specifically to TBARTA under CSFA 55.028 through JPAs APB29 (FY 2008-09), APN05 (FYs 2009-10 through 2010-11), and AR537 (FY 2013-14) as detailed in Attachment 1. These funds were provided to TBARTA in accordance with the General Appropriations Acts and applicable agreement terms and regulations. However, see the related *Observations* on page 12 regarding the use of CSFA 55.028 for the FY 2013-14 funding appropriation.

From the testing performed, two findings were identified:

Finding 1 – General Appropriations Act

We determined during fiscal years 2010-11 through 2012-13, the Commuter Assistance Program provided 57 percent of TBARTA’s funding. Our comparison of the department’s total reimbursements to TBARTA’s revenue for a five-year period⁷ also revealed TBARTA’s operational start-up funds represented 20 percent of revenue while 17 percent was from federal grants and the remaining 6 percent was attributable to a timing issue that is immaterial and not illustrated in Exhibit 4. TBARTA’s Audited Financial Statements Notes section on “Economic Dependency” stated the Florida Department of Transportation provided the majority of TBARTA’s operating revenues. If TBARTA had not merged with BACS and received Commuter Assistance Program funds, TBARTA would not have been able to sustain its operations.

⁷ The FLAIR Information Delivery Option system was used for department reimbursements, TBARTA’s financial statements were used for revenues, and we used TBARTA’s years ended September 30, 2009 - September 30, 2013 for all the data.

**Office of Inspector General
Florida Department of Transportation**

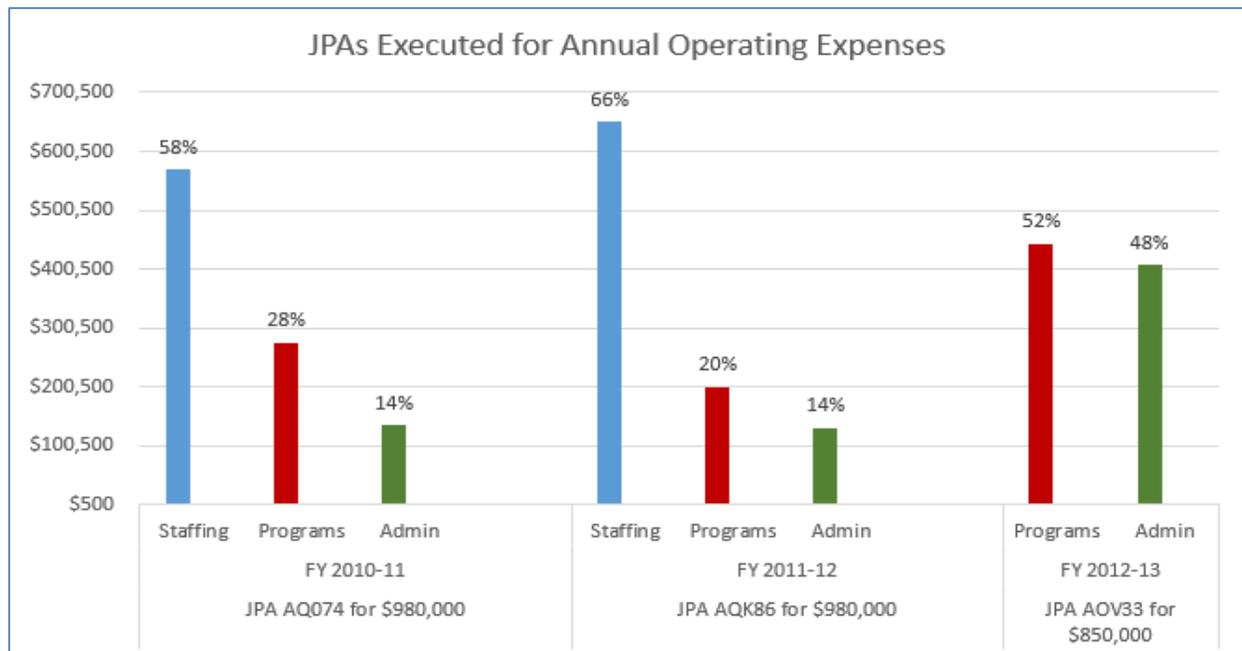
Exhibit 4

Funds Received - Percentage of Total Revenue						
TBARTA Reported in Financial Statements ^(a)	Year Ended 9/30/2009	Year Ended 9/30/2010	Year Ended 9/30/2011	Year Ended 9/30/2012	Year Ended 9/30/2013	Total Reported
Total Revenue	\$ 340,666	\$ 1,139,829	\$ 1,546,977	\$ 1,459,148	\$ 1,539,945	\$ 6,026,565
State / Federal Grants % of Total Revenue	\$ 328,449 96.41%	\$ 954,071 83.70%	\$ 1,544,219 99.82%	\$ 1,362,981 93.41%	\$ 1,441,462 93.60%	\$ 5,631,182 93.44%
FDOT Reimbursed ^(b)	10/1/2008 - 9/30/2009	10/1/2009 - 9/30/2010	10/1/2010 - 9/30/2011	10/1/2011 - 9/30/2012	10/1/2012 - 9/30/2013	Total Reimbursed
TBARTA (CSFA 55.028) % of Total Revenue	\$ 196,804 57.77%	\$ 277,615 24.36%	\$ 727,275 47.01%	\$ - 0.00%	\$ - 0.00%	\$ 1,201,693 19.94%
CAP ^(c) (CSFA 55.007) % of Total Revenue	\$ - 0.00%	\$ 969,236 85.03%	\$ 712,351 46.05%	\$ 904,373 61.98%	\$ 853,580 55.43%	\$ 3,439,539 57.07%
Federal Funds % of Total Revenue	\$ - 0.00%	\$ 94,974 8.33%	\$ 246,763 15.95%	\$ 374,201 25.65%	\$ 327,420 21.26%	\$ 1,043,358 17.31%

(a) Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund.
 (b) Based on data in the State's FLAIR system. Due to the merger, amounts represent TBARTA's and BACS's reimbursements. We used TBARTA's fiscal years ended (10/1/2010 - 9/30/2013) but did not test invoices.
 (c) Commuter Assistance Program

Of the five Commuter Assistance Program JPAs executed between District Seven and TBARTA, three were for "annual operating expenses." Although salaries are an eligible cost, this state-funded program was primarily used for overhead costs (Exhibit 5).

Exhibit 5



**Office of Inspector General
Florida Department of Transportation**

We compared BACS's work plans in two JPAs (AP860 and APL18) to TBARTA's work plans in JPAs AQ074, AQK86, and AQV33 and confirmed that the scopes of work for commuter services were essentially the same. The following items are addressed further in *Observations* on page 12:

- partnering and/or participating in transportation planning efforts **outside of D7/TBARTA's boundaries that contribute to the state's transportation infrastructure** and systems [emphasis added]; and
- inform and educate **elected officials** on BACS/TBARTA's programs, projects, services, and general mobility information [emphasis added].

We also observed additional language included in TBARTA's JPA AQK86 as follows:

- improving mobility and expanding multimodal transportation options for passengers and freight throughout the seven-county region;
- engaging the business community regionally and **statewide**⁸ in the transportation planning conversation and solicit partnership opportunities to plan and fund strategies and initiatives [emphasis added];
- engaging and providing education for the general commuting public regarding TBARTA's master plan, vision, programs, and services; and
- participating in evaluating and strategizing for mobility program criteria in conjunction with FDOT and its consultants.

Commuter services provide alternative modes of transportation to the single occupancy vehicle (such as carpool, vanpool, and telecommuting) for relieving highway congestion. TBARTA, as a regional transportation authority pursuant to Section 343.922, F.S., was created to plan, develop, construct, improve, and expand multimodal transportation options (such as express bus services, rail, ferry, transit stations, park-and-ride lots, and connector roads or bypasses) for passengers and freight within the Tampa Bay region. To achieve its purpose, TBARTA was notified on May 26, 2011, that applications for a state infrastructure bank⁹ loan were being accepted.

We recommend District Seven's Secretary ensure Commuter Assistance Program funds are utilized by TBARTA only for carpool, vanpool, and other commuter services in the Tampa Bay region (see also the related finding and recommendation beginning on page 10).

⁸ Refer to "TBARTA's Boundaries" per their statute in *Observations* on page 12.

⁹ The state infrastructure bank (SIB) is a revolving loan and credit enhancement program consisting of two separate accounts and is used to leverage funds to improve project feasibility. The SIB can provide loans and other assistance to public or private entities carrying out, or proposing to carry out, projects eligible for assistance under federal and state law. The SIB cannot provide assistance in the form of a grant.

Finding 2 – Agreement Terms

We determined that subsequent to July 1, 2010, five Commuter Assistance Program JPAs were executed between District Seven and TBARTA, which did not include specific tasks and deliverables required by the CSFA 55.007 Compliance Supplement and Section 215.971, F.S. (effective July 1, 2010):

Year	Contract Amount	JPA	JPA Status	CSFA No.
2010	\$75,000	AQ088	Closed	55.007
2010	\$980,000	AQ074	Closed	55.007
2012	\$160,000	AQK87	Closed	55.007
2012	\$980,000	AQK86	Closed	55.007
2012	\$850,000	AQV33	Closed	55.007

Although the agreements were written to contain general descriptions of expectations, they did not include scopes of work that had clearly defined tasks, quantifiable units, a detailed line item budget with employees' salaries, or criteria for evaluating TBARTA's successful completion of the deliverables as required pursuant to Section 215.971, F.S. which states:

For an agency that provides state financial assistance, the agreement shall include a scope of work that clearly establishes tasks to be performed and a provision dividing the agreement into quantifiable units of deliverables that must be received and accepted in writing by the agency before payment. Each deliverable must be directly related to the scope of work and must specify the required minimum level of service to be performed and the criteria for evaluating the successful completion of each deliverable.

The "Purpose" in three of the five agreements (see Exhibit 5) was "to provide state funds for TBARTA's annual operating expenses" and the "Purpose" in agreements AQ088 and AQK87 was "to provide regional coordination and vanpool services." The agreements' Project Description and Responsibilities¹⁰ were as follows:

- JPA AQ088 – to procure by lease seven passenger vehicles;
- JPAs AQ074 and AQK87 – to continue funding for the regional commuter vanpool program; and
- JPAs AQK86 and AQV33 – to plan, develop, finance, construct, own, purchase, operate, maintain, relocate, equip, repair, and manage multimodal systems in Citrus, Hernando, Hillsborough, Manatee, Pasco, Pinellas, and Sarasota Counties, to improve mobility and expand multimodal transportation options for passengers and freight through the seven-county region and the expansion to include commuter assistance programs in 2010.

¹⁰ As detailed in each JPA's Exhibit A.

**Office of Inspector General
Florida Department of Transportation**

The Commuter Assistance/Rideshare Grants (CSFA 55.007) Compliance Supplement¹¹ section for Program Procedures specifies that each district and entity will develop an annual work plan for the district's Commuter Assistance Program. Program goals and objectives for the period October 1 through September 30 need to be detailed and will determine funding priorities of the Commuter Assistance Program. Entities receiving commuter assistance state funds will be required to monitor and report the following data to the district on an annual basis or as indicated in the Joint Participation Agreement:

- number of commuters requesting assistance;
- number of commuters switched from single occupant vehicle;
- number of vans in service (when applicable);
- number of vehicle trips eliminated;
- number of vehicle miles eliminated;
- number of employer contacts and employers participating;
- number and description of major accomplishments;
- number of parking spots saved/parking needs reduced; and
- amount of commuter costs saved.

TBARTA submitted progress reports (charts and graphs) with their invoices;¹² however, the data provided did not include criteria in accordance with the Commuter Assistance/Rideshare Grants Compliance Supplement as follows:

- number of vehicle trips or miles eliminated;
- number of employers contacted or participating;
- number and description of major accomplishments;
- number of parking spots saved or reduced; and
- amount of commuter costs saved.

The State of Florida Contract and Grant User Guide¹³ provides agencies with programmatic and fiscal accountability direction. Chapter 3 – Agreements, outlines requirements and guidance on writing scopes of work, deliverables, obtaining information related to reporting, and indicates agreements should identify:

- all tasks the provider is to perform (scope of work);
- events that trigger payment (deliverables);
- required level of services (performance standards); and
- remedies for non-performance.

Not including specific requirements in the agreements puts the department at risk of noncompliance with state regulations and potential misappropriation of funds.

¹¹ Posted on the Department of Financial Services' website.

¹² We reviewed JPAs AQR86 and AQR87 progress reports that were attached to invoices.

¹³ Published by the Department of Financial Services, Division of Accounting and Auditing.

**Office of Inspector General
Florida Department of Transportation**

We recommend District Seven’s Secretary ensure TBARTA’s active Commuter Assistance Program JPAs are amended and that future JPAs are executed in accordance with CSFA 55.007 Compliance Supplement and Section 215.971, F.S., specifically to include a detailed line item budget with employees’ salaries, tasks, and quantifiable units of deliverables for evaluating successful completion of the scope pursuant to agreement terms. As part of the department’s CPR (consistent, predictable, repeatable) process, District Seven should consult Central Office’s Transit Office for technical assistance on defining an acceptable scope of work.

Observations

Catalog of State Financial Assistance (CSFA) 55.028 – FY 2013-14

TBARTA’s FY 2013-14 funding¹⁴ was granted under CSFA 55.028, which was established in 2008. However, this CSFA number was not posted to the Department of Financial Services’ website and the catalog language stated:

To provide discretionary funds for all related administrative/operational expenditures associated with start-up activities.

For FY 2013-14, the catalog number used should have reflected the specific proviso language, which stated funds in Specific Appropriation 1830A, \$200,000 of nonrecurring funds from the State Transportation Trust Fund are provided to the Tampa Bay Area Regional Transportation Authority in order:

“...to provide a financial analysis of the costs savings to be achieved from the consolidation of the Pinellas Suncoast Transit Authority and the Hillsborough Area Regional Transit Authority pursuant to the provisions of chapter 2012-174, Laws of Florida.”¹⁵

Outside of D7/TBARTA’s Boundaries

BACS and TBARTA included a JPA work plan¹⁶ item to “Partner and/or participate in transportation planning efforts outside of D7/TBARTA’s boundaries that contribute to the state’s transportation infrastructure and systems.” This is a contradiction to BACS’s JPAs (Exhibit A – Project Location is District Seven) and TBARTA’s statute, Section 343, where TBARTA is to develop multimodal transportation options throughout the seven-county Tampa Bay regions comprising Citrus, Hernando, Pasco, Hillsborough, Pinellas, Manatee, and Sarasota counties. Any partnering or planning efforts conducted by TBARTA outside the region is external to the confines of their statute. District Seven

¹⁴ JPA AR537

¹⁵ Source: Conference Report on Senate Bill 1500

¹⁶ BACS’s JPAs AP860 and APL18; TBARTA’s JPAs AQ074, AQK86, and AQV33

should amend the JPAs and review TBARTA's invoices carefully to ensure such tasks are not included as reimbursement under the Commuter Assistance Program.

Inform and Educate Elected Officials

BACS and TBARTA also included a JPA work plan¹⁷ item to "Inform and educate elected officials regarding [BACS]/TBARTA's programs, its projects and services, and general mobility information." Under the JPAs' Section 21.00 Restriction on Lobbying, subsection 21.20: "No funds received pursuant to this contract may be expended for lobbying the Legislature or a state agency." District Seven should review TBARTA's invoices carefully to ensure such tasks are not included as reimbursement under the Commuter Assistance Program.

¹⁷ BACS's JPA APL18; TBARTA's JPAs AQ074, AQK86, and AQV33

APPENDIX A – Purpose, Scope, and Methodology

The **purpose** of this engagement was to determine if funding was provided to TBARTA in accordance with the General Appropriations Act and to determine if funding has been provided to TBARTA in compliance with the department’s Disbursement Operations Office Handbook, applicable agreement terms, laws, rules, and regulations.

The **scope** of this advisory was all TBARTA state and federal pass-through funded activities since its inception. This included total funding of \$6,736,500 for 13 JPAs executed between July 1, 2008, and October 31, 2013.

The **methodology** included interviewing appropriate staff and reviewing:

- agreements executed between District Seven and TBARTA;
- advance payment requests, approvals, and supporting documentation;
- Catalog of State Financial Assistance (CSFA) and Compliance Supplements 55.028 TBARTA and 55.007 Commuter Assistance/Rideshare Grants;
- Catalog of Federal Domestic Assistance (CFDA) 20.200 Federal Highway Administration’s Surface Transportation Research Program; CFDA 20.205 Highway Planning and Construction; and CFDA 20.521 Federal Transit Administration’s Section 5317 New Freedom Program;
- General Appropriation Acts, Governor’s Veto Lists, and Veto Messages;
- Florida Statute Chapters 341 Public Transit, 343 Part V, TBARTA, and other Sections as follows:
 - 216.181 Approved budgets for operations and fixed capital outlay;
 - 215.422 Payments, warrants, and invoices;
 - 334.044 Department powers and duties; and
 - 215.971 Agreements funded with federal and state assistance;
- Department of Financial Services, Division of Accounting & Auditing – State of Florida Contract and Grant User Guide (last updated 2008);
- department Disbursement Operations Office Handbook (last updated December 19, 2013. Section on Advance Payment revised March 18, 2013);
- department Procedure No. 725-030-008, Commuter Assistance Program (effective September 24, 2002);
- department Procedure No. 350-020-200, Contract Funds Management – Funds Approval (effective October 14, 2013);
- department Work Program Instructions, Schedule A – Allocations;
- TBARTA’s 2009 Master Plan and subsequent updates;
- TBARTA’s Financial Statements for the Years Ended September 30, 2009, through September 30, 2013;
- BACS’s Financial Statements for the Year Ended June 30, 2009;
- agreements executed between District Seven and BACS; and
- OIG’s Audit Report No. 11T-4002 on BACS.

**Office of Inspector General
Florida Department of Transportation**

APPENDIX B – TBARTA Response



3802 Spectrum Boulevard, Suite 306
Tampa, FL 33612
Phone: 813.282.8200
Fax: 813.282.8700
www.TBARTA.com

December 18, 2014

Ms. Lisa Tessier
Intermodal Audit Manager
Florida Department of Transportation
605 Suwannee Street, MS 44
Tallahassee, FL 32399-0450

Subject: Audit Report No. 141-4001

Dear Ms. Tessier:

Thank you for the opportunity for TBARTA to respond to the subject draft report. As it relates to the findings and observations, the following information is provided to respond to those findings. It is important to understand that "other commuter services" includes multiple options such as transit, including the study of express bus and Bus Rapid Transit, and other options that may aide commuters in their transportation needs. It should not be narrowly defined as to only include carpool and vanpool programs.

Finding One-General Appropriations Act

- The finding states that "Although salaries are an eligible cost, this state funded program was primarily used for overhead costs." Overhead costs appear to include the staffing costs. Much of the work related to commuter services is associated with staff costs such as handling the Emergency Ride Home program and handling public calls for assistance. In addition, TBARTA bills for certain operating expenses directly as opposed to inclusion in an audited overhead rate. This results in less of an overhead rate than the Department pays other consultants.
- The finding discusses planning activities "outside of D7/TBARTA boundaries." For successful commuter assistance programs it is important to understand the influences into/out of the regional boundaries. This helps in the integration of commuter programs into the overall transportation master plan of a region similarly to how understanding the influences of adjacent FDOT districts helps in providing for interregional and intraregional connectivity.
- The finding mentions lobbying efforts. TBARTA respectfully disagrees that educating and informing elected officials about commuter programs is lobbying. Communicating the benefits of programs to the public and specifically public leaders is educational and not requesting/lobbying for funding or legislation. It is the same as explaining the value of transportation projects so they have an understanding. Elected officials can then respond to their constituents as they please to promote these effective programs.
- Other Commuter Services include transit options, BRT, and express bus in addition to carpool, vanpool, telecommute, and other transportation demand management (TDM) strategies. All of these are components of an integrated multimodal regional transportation master plan. Staff time and resources used on these items and integrating them into the master plan have been and should continue to be eligible expenses.

**Office of Inspector General
Florida Department of Transportation**

TBARTA Response (continued)

Ms. Lisa Tessier
Page 2
December 18, 2014
Subject: Audit Report No. 141-4001

In addition to the above, it is important to make note of the success that TBARTA has had with commuter assistance and leveraging additional federal funding that would not have normally come to the state or the region. Because of the work with the National Transit Database (NTD) and the information provided regarding the vanpools and the overall program, NTD funding now comes to this region as part of formula distribution. This is funding that previously was not being captured.

In closing, TBARTA continues to operate in a cost effective manner in managing the commuter assistance programs in the Tampa Bay region. The overhead being paid for TBARTA to operate is competitive with what other consultants are charging for the same services in other parts of the state.

We thank you for the opportunity to respond to this Audit Report and will look forward to seeing the final report.

Sincerely,



Donald J. Skelton, P.E.
Interim Executive Director

APPENDIX C – Inspector General Response to TBARTA’s Comments

We reviewed TBARTA’s response to Advisory Report No. 14I-4001 and we consulted with department program staff. In an effort to clarify the distinction between providing commuter assistance services through the state-funded Commuter Assistance Program and funding TBARTA’s regional transportation responsibilities, we offer the following additional comments.

TBARTA’s response letter stated:

. . . “other commuter services” includes multiple options such as transit, including the study of express bus and Bus Rapid Transit, and other options that may aide commuters in their transportation needs. . . . All of these are components of an integrated multimodal regional transportation master plan. . . . Because of the work with the National Transit Database (NTD) and the information provided regarding the vanpools and the overall program, NTD funding now comes to this region as part of formula distribution.

The state-funded Commuter Assistance Program is for more than carpooling and vanpooling, but it does not include funding for studies or regional planning activities. According to the Commuter Assistance/Rideshare Grants (CSFA 55.007) Compliance Supplement,¹⁸ Activities Allowed section, funds can be used for:

- Program administration and operational costs including salaries, marketing materials, advertising, computerized matching, reporting, purchase of promotional items as part of public information and education campaigns for the promotion of alternatives to single-occupant vehicle travel (promotional items must first be cleared through the FDOT Comptroller), and other project related costs.
- Computer hardware and software necessary to establish trip-matching services, where not redundant or sharing could be a more efficient use of equipment.
- Specialized demonstration projects of statewide or regional impact designed to show innovative approaches to commuter assistance.
- Other capital purchases for the accomplishment of program objectives.
- Other operating expenses for the accomplishment of program objectives, such as a Guaranteed Ride Home Project or vanpool administration.

¹⁸ Posted on the Department of Financial Services’ website.

Inspector General Response to TBARTA’s Comments (continued)

Working with, and reporting to, the NTD is not an eligible activity of the state-funded Commuter Assistance Program. NTD is a requirement of receiving federal funds under the Federal Transit Administration’s Urbanized Area Formula Program (49 U.S.C. 5307) for which TBARTA is a direct recipient of federal funds.¹⁹

TBARTA’s response letter stated:

Much of the work related to commuter services is associated with staff costs such as handling the Emergency Ride Home program and handling public calls for assistance.

While the expenses described in TBARTA’s response (excerpt above) are allowable under the provisions of Commuter Assistance Program funding, only staff time specifically related to commuter services are allowable. Timesheets and other supporting documentation must be retained to substantiate the allocation of costs to appropriate programs.

Time expended by TBARTA staff for other activities, such as regional transportation planning and studies, are not reimbursable under the Commuter Assistance Program.

TBARTA’s response letter stated:

Discusses planning activities “outside of D7/TBARTA boundaries” and, TBARTA respectfully disagrees that educating and informing elected officials about commuter programs is lobbying.

Transit Office staff reported that Commuter Assistance Program funds allocated to TBARTA cannot be used outside of District Seven. Although TBARTA’s region is comprised of District Seven and two District One counties – Manatee and Sarasota – District One receives their own Commuter Assistance Program funds to provide services in their area. Educating the public about commuter services is allowed only at the local (county) level using commuter assistance funds.

¹⁹ Eligible activities under this funding include “planning, engineering design and evaluation of transit projects and other technical transportation-related studies; capital investments in bus and bus-related activities such as replacement of buses, overhaul of buses, rebuilding of buses, crime prevention and security equipment and construction of maintenance and passenger facilities; and capital investments in new and existing fixed guideway systems including rolling stock, overhaul and rebuilding of vehicles, track, signals, communications, and computer hardware and software. All preventive maintenance and some Americans with Disabilities Act complementary para-transit service costs are considered capital costs.”

Office of Inspector General
Florida Department of Transportation

APPENDIX D – Management Response



Florida Department of Transportation

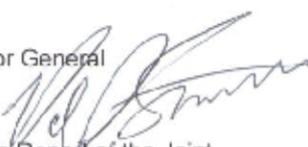
RICK SCOTT
GOVERNOR

11201 N. McKinley Drive
Tampa, FL 33612-6456

JIM BOXOLD
SECRETARY

Date: January 16, 2015

To: Robert Clift, Inspector General, Office of Inspector General

From: Paul J. Steinman, P.E., District Seven Secretary 

Subject: FDOT Response to the Preliminary and Tentative Report of the Joint Participation Agreement between District Seven and TBARTA

Response to Recommendation Number One - We concur with the findings and recommendation

Response to Recommendation Number Two – We concur with the findings and recommendation

Response to Recommendation Number Three – We concur with the findings and recommendation

Response to Observation Number One – The District will use the appropriate proviso language on future legislatively appropriated non-recurring funding allocations

Response to Observation Number Two – The District will remove this language from the JPA and ensure that future billings are not allowed

Response to Observation Number Three – The District will remove this language from the JPA and ensure that future billings are not allowed

PJS/mla

www.dot.state.fl.us

**Office of Inspector General
Florida Department of Transportation**

DISTRIBUTION, PROJECT TEAM, AND STATEMENT OF ACCORDANCE

Action Distribution:

Paul J. Steinman, P.E., District Seven Secretary

Information Distribution:

Jim Boxold, Secretary
Mike Dew, Chief of Staff
Richard Biter, Assistant Secretary for Intermodal Systems Development
Ed Coven, Transit Office Manager
Rachel Cone, Assistant Secretary for Finance and Administration
Robin Naitove, Comptroller
Melinda Miguel, Chief Inspector General, Executive Office of the Governor

Project Team:

Engagement was conducted by Helen Titoff, Auditor
Under the supervision of:
Intermodal Audit Manager; and
Kristofer B. Sullivan, Director of Audit
Approved by: Robert E. Clift, Inspector General

Statement of Accordance

*The mission of the department is
to provide a safe transportation system that ensures the mobility of people and goods,
enhances economic prosperity, and preserves the quality of our environment and communities.*

*The mission of the Office of Inspector General is
to promote integrity, accountability, and process improvement in the Department of
Transportation by providing objective fact-based assessments to the DOT team.*

This work product was prepared pursuant to Section 20.055, Florida Statutes, in accordance with the applicable Principles and Standards for Offices of Inspectors General as published by the Association of Inspectors General and the International Standards for the Professional Practice of Internal Auditing as published by the Institute of Internal Auditors, Inc.

This report is intended for the use of the agency to which it was disseminated and may contain information that is exempt from disclosure under applicable law. Do not release without prior coordination with the Office of Inspector General.

Please address inquiries regarding this report to the department's Office of Inspector General at (850) 410-5800.

**Office of Inspector General
Florida Department of Transportation**

ATTACHMENT 1 – Joint Participation Agreements (JPAs) Reviewed

STATE GRANTS	JPA #	CSFA Description	CSFA #	State Funds	JPA Execution Date	Status	Project Description (per Agreement)
	APB29	TBARTA	55.028	\$500,000	10/27/2008	Closed	Discretionary appropriation FY 2008-09; House Bill 5001, General Appropriations Act (line 2153).
	APN05	TBARTA	55.028	\$1,500,000	10/1/2009	Closed; unexpended funds reverted	Discretionary appropriation FY 2009-10 and FY 2010-11; unexpended from JPA APB29.
	AR537	TBARTA	55.028	\$200,000	9/24/2013	Closed	To perform a financial analysis of the cost savings achieved by the consolidation of specific functions and activities performed by Hillsborough Area Regional Transit and Pinellas Suncoast Transit Authority.
	Subtotal			\$2,200,000			
	AQ088	Commuter Assistance / Rideshare Grants	55.007	\$75,000	9/8/2010	Closed	TBARTA requested continuation of funds for the regional commuter vanpool program, and to procure by lease seven passenger vehicles.
	AQ074	Commuter Assistance / Rideshare Grants	55.007	\$980,000	9/8/2010	Closed	TBARTA requested continuation of funds for the regional commuter vanpool program.
	AQK86	Commuter Assistance / Rideshare Grants	55.007	\$980,000	2/13/2012	Closed	TBARTA was created as an agency of the state on July 1, 2007, to plan, develop, finance. . . and manage multimodal systems. The authority's purpose is to improve mobility and expand multimodal transportation options throughout the region. TBARTA's purpose expanded in 2010 to include commuter assistance programs providing mobility options to the single occupant vehicle.
	AQK87	Commuter Assistance / Rideshare Grants	55.007	\$160,000	2/13/2012	Closed	TBARTA to support regional coordination with local, regional, state, and other entities for more efficient and effective planning, programs, and projects; TBARTA to promote, manage, and provide limited funding support for the regional commuter vanpool program.
	AQV33	Commuter Assistance / Rideshare Grants	55.007	\$850,000	12/17/2012	Closed	TBARTA's purpose expanded in 2010 to include commuter assistance programs providing mobility options to the single occupant vehicle.
Subtotal			\$3,045,000				

FEDERAL PASS-THROUGH GRANTS	JPA #	CFDA Description	CFDA #	Federal Funds	JPA Execution Date	Status	Project Description (per Agreement)
	AQ114	FHWA Surface Transportation Research Program	20.200	\$650,000	9/14/2010	Closed	TBARTA requested funds for the Hillsborough County commuter vanpool program; TBARTA to procure vehicles by lease.
	AQ588	FTA Section 5317 New Freedom Program	20.521	\$250,500	2/2/2011	Closed	TBARTA to provide planning, development, marketing, and grant assistance. . . expenses for charter service, upgrades to existing service, voucher and transit pass program, mobility management, training, and corridor services.
	AQS17	FHWA Surface Transportation Research Program	20.200	\$245,000	10/3/2012	Closed	For promotion of commuter services to the public, targeted outreach efforts to employers/businesses, and allocate additional funding to the commuter vanpool service and program expansion.
	AQY23	FHWA Highway Planning & Construction	20.205	\$315,000	4/9/2013	Active – ends 3/13/2016	FDOT and TBARTA joined to create a construction/maintenance relief incentive program for carpoolers in Hillsborough County.
	Contract BDW82	Safety Funds - No CFDA. Safe Routes to School Program	None	\$31,000	6/27/2013	Active – ends 10/31/15	To provide online "school pooling" (carpooling), walking, and biking partnering services for parents and students through ride-matching program offered by TBARTA's Commuter Services Program. The School Pool Program software module is the web-based application for carpooling. TBARTA will provide two more years of hosting/maintenance for software.
Subtotal			\$1,491,500				

Total	\$6,736,500
--------------	--------------------

**Office of Inspector General
Florida Department of Transportation**

ATTACHMENT 2 – Timeline of Activities Based on State’s Fiscal Years

Fiscal Year	State / Federal Funds	CSFA # / CFDA #	Purpose	Activity
2008-09	\$500,000	55.028	Initial start-up costs, administration, and other expenses.	General Appropriations Act provided \$2,000,000. District Seven and TBARTA executed JPA APB29 for a \$500,000 advance payment of discretionary funding under CSFA 55.028 established for TBARTA.
2009-10	\$1,500,000	55.028	Unexpended discretionary funding for start-up costs, administration, and expenses.	District Seven and TBARTA executed JPA APN05 under CSFA 55.028 specific to TBARTA.
	--	--	Develop a Master Plan.	TBARTA’s board approved Master Plan, which identified critical transportation needs, costs, and financial resources required by Section 343.922, F.S.
	--	--	TBARTA assumed responsibility for commuter services and programs.	TBARTA and Bay Area Commuter Services, Inc. (BACS) merged.
2010-11	\$75,000	55.007	Capital leasing of vans.	District Seven and TBARTA executed JPA AQ088 – Commuter Assistance Program for vans \$74,000; branding \$1,000.
	\$980,000	55.007	Annual operating expenses.	District Seven and TBARTA executed JPA AQ074 – Commuter Assistance Program for staffing \$569,200 (58%); programs \$276,000 (28%); administration \$134,800 (14%).
	\$650,000	20.200	Capital leasing of vans.	District Seven and TBARTA executed JPA AQ114 – FHWA’s Surface Transportation Research Program.
	\$250,500	20.521	Assist individuals with disabilities – FTA 5317 New Freedom program.	District Seven and TBARTA executed JPA AQ588 with a required local match of \$62,625.
2011-12	\$0	55.028	Veto and reversion of unexpended discretionary funding.	TBARTA’s \$640,953 unexpended balance from JPA APN05 is vetoed and reverted .
	\$980,000	55.007	Annual operating expenses.	District Seven and TBARTA executed JPA AQK86 and Supplemental Agreement 1 for a \$245,000 advance payment – Commuter Assistance Program for staffing \$650,000 (66%); programs \$200,000 (20%); administration \$130,000 (14%).
	\$160,000	55.007	Regional coordination and vanpool services.	District Seven and TBARTA executed JPA AQK87 – Commuter Assistance Program.
	\$245,000	20.200	Promote commuter services and vanpool services.	District Seven and TBARTA executed JPA AQS17 – FHWA’s Surface Transportation Research Program.
2012-13	\$850,000	55.007	Annual operating expenses.	District Seven and TBARTA executed JPA AQV33 with a \$212,500 advance payment – Commuter Assistance Program for administration \$407,085 (48%); programs \$442,915 (52%).
	\$315,000	20.205	Provide incentive for public to carpool during construction projects.	District Seven and TBARTA executed JPA AQY23 – Congestion Mitigation Air Quality (CMAQ) for upgrades to ride-matching/administrative costs \$15,000; incentive for 2-year program \$300,000 during I-275 construction in Hillsborough County (two phases). Participants receive \$25 per month.
	\$31,000	--	Continued hosting / maintenance fee for School [Car] pool software.	District Seven and TBARTA executed contract BDW82 with federal funds under the Safe Routes to School Program.
2013-14	\$200,000	55.028	Cost-savings analysis on two regional transit authorities.	District Seven and TBARTA executed JPA AR537 under CSFA specific to TBARTA.
Total	\$6,736,500			