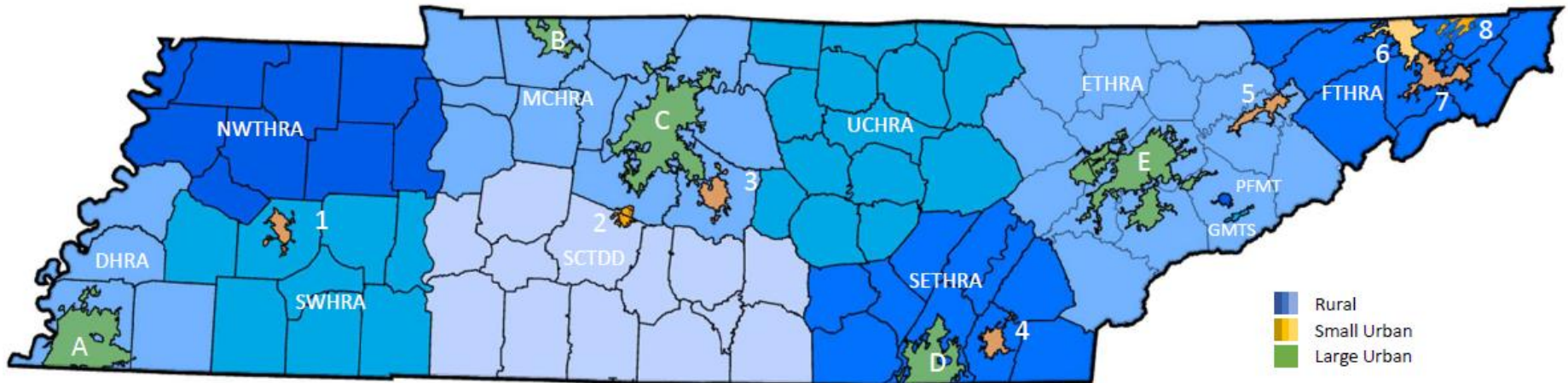




# The Tennessee Approach to Compliance Oversight

# Public Transit in Tennessee



## Rural Providers

Delta Human Resource Agency (DHRA)  
 Northwest TN Human Resource Agency (Nwthra)  
 Southwest Human Resource Agency (SWHRA)  
 Mid-Cumberland Human Resource Agency (MCHRA)  
 South Central TN Development District (SCTDD)  
 Upper Cumberland Human Resource Agency (UCHRA)  
 Southeast TN Human Resource Agency (SETHRA)  
 East TN Human Resource Agency (ETHRA)  
 Pigeon Forge Mass Transit (PFMT)  
 Gatlinburg Mass Transit System (GMTS)  
 First TN Human Resource Agency (FTHRA)

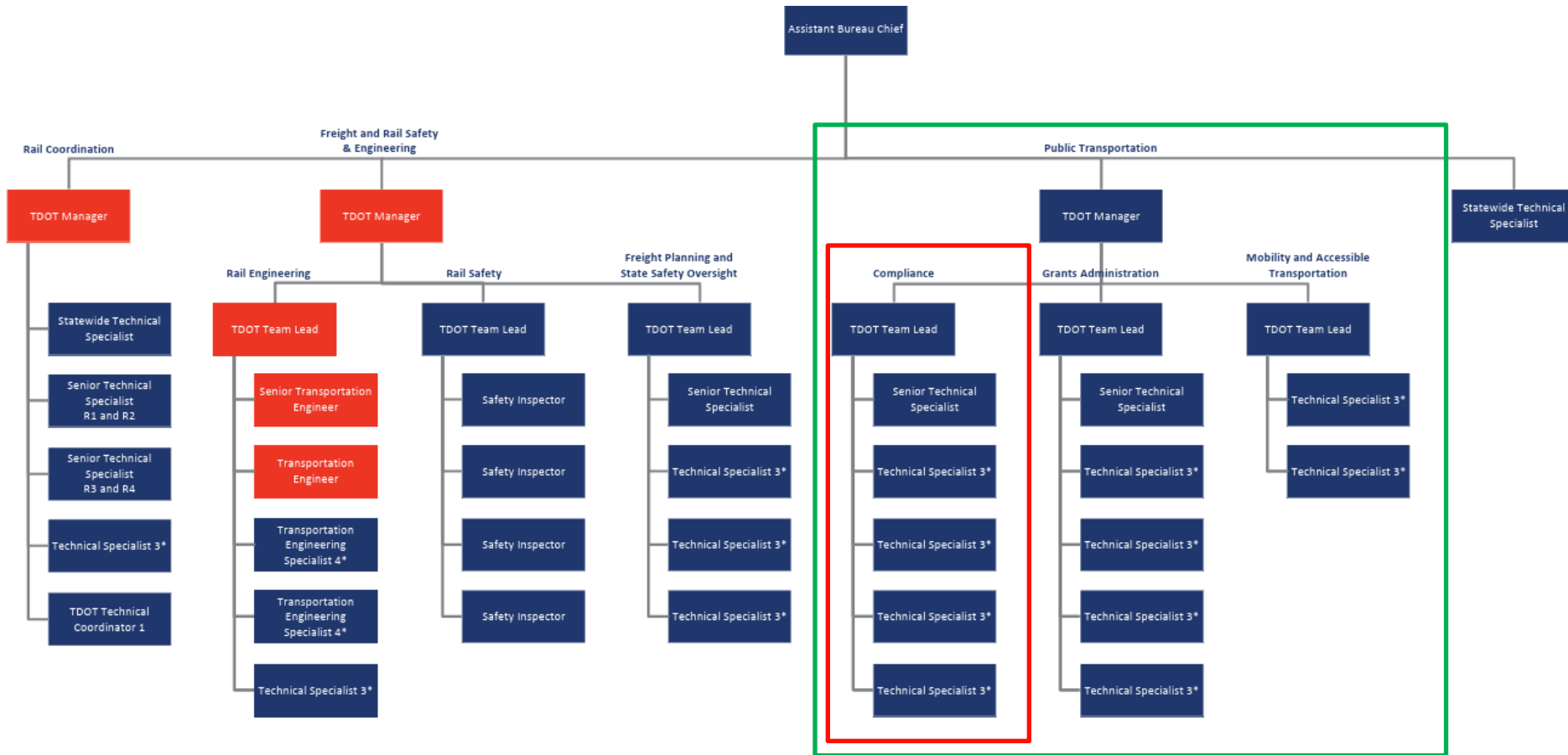
## Small Urban Providers

1. Jackson Transit Authority
2. City of Spring Hill
3. Murfreesboro Rover
4. Cleveland Urban Area Transit System
5. Morristown/Lakeway Transit
6. Kingsport Area Transit Service
7. Johnson City Transit
8. Bristol Tennessee Transit

## Large Urban Providers

- A. Memphis Area Transportation Authority
- B. Clarksville Transit System
- C. Nashville Area
  - A. WeGo
  - B. Regional Transportation Authority
  - C. Franklin Transit Authority
- D. Chattanooga Area Regional Transportation Authority
- E. Knoxville Area
  - A. Knoxville Area Transit
  - B. Knox County Community Action Committee
  - C. Oak Ridge Transit

# TN DOT Transit Staff



# A Partnership Approach



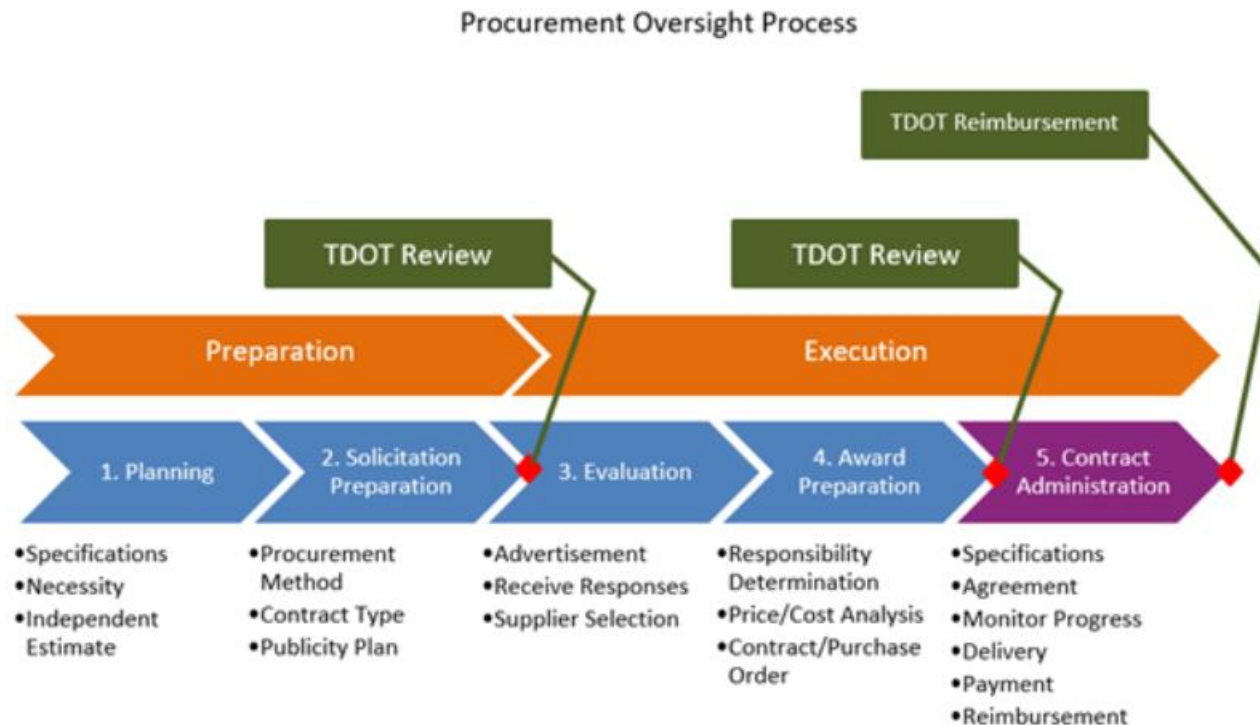
DOT provides resources  
& tools for success



Teamwork & a candid  
feedback loop

# Procurement Oversight

- Comprehensive Federal and State Procurement resources
- Templates, clauses, worksheets to meet FTA requirements for all procurement types



# Procurement Resources

TDOT Checklists	Documenting a procurement transaction is essential to demonstrate compliance with FTA rules and regulations. Although the procurement process can be complex, TDOT has created outlines and worksheets to simplify this process, guide recipients through planning and execution, and provide necessary documentation for compliance. These tools are designed to help recipients prepare and execute compliant procurements effectively.
Procurement Transaction Planning	
Small Purchases	<b>Initial Steps for All Small or Formal Procurements:</b>
Formal Purchase: ITB	<ol style="list-style-type: none"> <li><b>1. Define Specifications:</b> Clearly outline the product or service requirements.</li> <li><b>2. Document Need:</b> Assess and document the level of need for the procurement.</li> <li><b>3. Estimate Costs:</b> Provide an initial cost estimate to guide subsequent steps.</li> <li><b>4. Establish Compliant Records:</b> Document required elements of a procurement transaction.</li> </ol>
Formal Purchase: RFP	
Formal Purchase: A&E	<b>Worksheets to Complete for Planning:</b>
Formal Purchase: Two Step	<ul style="list-style-type: none"> <li>• <a href="#">Specifications Worksheet</a>: Detail the product or service requirements.</li> <li>• <a href="#">Necessity Worksheet</a>: Document the need for the procurement.</li> <li>• <a href="#">Independent Estimate</a>: Provide an estimate of costs.</li> <li>• <a href="#">Procurement Method Selection and Record Keeping (Part 1)</a>: Choose the appropriate procurement method and maintain records.</li> </ul>
Statewide Contract Purchase	After completing the Procurement Method Selection and Record Keeping Worksheet (Part 1), refer to the corresponding procurement type tab for detailed guidance on:
Sole Source	
Training Videos	<ul style="list-style-type: none"> <li>• Preparing the procurement documentation</li> <li>• Submitting for TDOT review</li> <li>• Communicating with vendors</li> <li>• Awarding the contract</li> <li>• Overseeing vendor production and delivery of goods or services</li> </ul>
	These steps will ensure that you follow the correct procedures for your chosen procurement method.

## Procurement – Necessity Determination Worksheet

<b>Grantee:</b>	Click or tap here to enter text.
<b>Completed by:</b>	Click or tap here to enter text.
<b>Item to Procure:</b>	Click or tap here to enter text.
<b>Date Completed:</b>	Click or tap to enter a date.

2 CFR Part §200.318(d) The non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items.

### 4220.1F Chapter IV. Section 1.b. Necessity

The Uniform Guidance requires the recipient to establish procedures to avoid the purchase of unnecessary property and services (including duplicative items and quantities or options it does not intend to use or whose use is unlikely). In monitoring whether a recipient has complied with its procedures to determine what property or services are unnecessary, FTA bases its determinations on what would have been a recipient's reasonable expectations at the time the recipient entered into the contract.

(4220.1F Chapter III. Section 3.a.(2))

### Needs for this Procurement (Item/Service)

Enter the quantity of items or services required for the procurement and the projected start date of a contract to be entered into with the selected vendor and the end date for the delivery of items or services.

Procurement	Quantity	Contract Start Date	Contract End Date
Item/Service	#	Click or tap to enter a date.	Click or tap to enter a date.
			True False
Do the quantities and/or performance period noted represent a reasonable expectation of the recipient's current need?			<input type="checkbox"/> <input type="checkbox"/>
Do the quantities and/or performance period noted not create duplicative items or services or unnecessary reserves?			<input type="checkbox"/> <input type="checkbox"/>

### Options Consideration

The recipient's contracts may include options to ensure the future availability of property or services based on a reasonably foreseeable need, and so long as the recipient is able to justify those options as needed for its public transportation or project purposes. **An option is a unilateral right in a contract by which, for a specified time, a recipient may acquire additional equipment, supplies, or services than originally procured.** An option may also extend the term of the contract.

(4220.1F Chapter IV Section 1.d.)

		True	False
This acquisition will include options allowing the recipient to acquire additional equipment, supplies, or services than originally procured?		<input type="checkbox"/>	<input type="checkbox"/>
<b>If true</b> , enter the quantities and/or performance service periods to be requested for option quantities or extended service periods in the item or service contract.			
Options	Quantity	Option # Start Date	Option # End Date
Option 1	#	Click or tap to enter a date.	Click or tap to enter a date.
Option 2	#	Click or tap to enter a date.	Click or tap to enter a date.

# 5311 Compliance Oversight

- Replicates SMR Process with a 43-page [Review Guide](#)
- 3-year cycle, 3-4 Rural subrecipients per year
- 3-5 days on site depending on size of agency
- 3-5 TDOT staff, 1-2 consultant partners

## Contents

Overview .....	3
Program Management .....	4
Financial Management and Capacity .....	6
Maintenance .....	10
Transit Asset Management (TAM) .....	14
Procurement .....	16
Americans with Disabilities Act (ADA) .....	21
Disadvantaged Business Enterprise (DBE) .....	27
Equal Employment Opportunity (EEO) .....	28
Title VI .....	30
School Bus .....	33
Charter Bus .....	34
Drug and Alcohol Program .....	36
List of Review Attendees .....	39

## Process:

- Notification
- Desk Review
- On-Site Review
  - Exit Conference
- Draft Report
- Final Report

# Focus on Financial Compliance

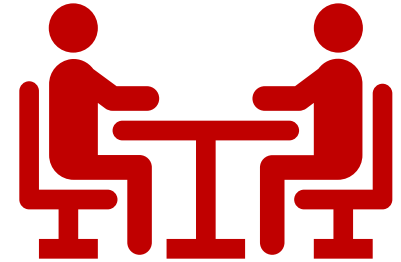
- Robust Financial Management & Capacity section of 5311 Review Guide
- Mimics FTA ECHO sampling
  - Sample of invoices from the 3-year period
  - Deep dive into General Ledger supported expenses
    - Salaries -> Timesheets
    - Rent -> Leases & Transit square footage
  - Indirect Cost Allocation calculations & reconciliation
    - Programmatic Cost Allocation review for 5311/5307 agencies
  - Review Chart of Accounts, Single Audit, Program Income & Farebox Revenue

# 5310 Compliance Oversight

- Similar process to 5311
  - 55-page 5310 Review Guide
  - 3-year cycle, ~25 subrecipients per year
  - <1 day per agency, most completed virtually
  - 2 staff, consultants serve as support
- 
- New Grantee Orientation Training
  - Post-Review survey for feedback

# Communication is Key

- Triannual Discussions
- Monthly Association Meetings
- Strategic Planning Workshop
- Annual State Conference
- Events & Trainings





# Thank you!

Kaitlyn McClanahan  
Transit Programs & Policy Manager

Passenger Transportation, Rail & Freight Division  
Public Transportation Section  
[Kaitlyn.McClanahan@tn.gov](mailto:Kaitlyn.McClanahan@tn.gov)  
(615) 532-5835

State Rural Technical Assistance Program Manager

**Chair**, AASHTO Transit Management  
Technical Service Program

