

FINAL REPORT

FISCAL YEAR 2023 TRIENNIAL REVIEW

of the

**Naugatuck Valley Council of Governments
(NVCOG)
Waterbury, Connecticut 06702
ID: 7313**

Performed for:

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

Prepared By:

**Advanced Systems Technology & Management, Inc.
under subcontract to Qi Tech, LLC**

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Virtual Site Visit Exit Conference Date: September 13, 2023

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I. Executive Summary

This report documents the Federal Transit Administration's (FTA) Triennial Review of the Naugatuck Valley Council of Governments (NVCOG) of Waterbury, Connecticut. The FTA wants to ensure that awards are administered in accordance with the requirements of Federal public transportation law 49 U.S.C. Chapter 53. The review was performed by Advanced Systems Technology & Management, Inc. under subcontract to Qi Tech, LLC. During the virtual site visit, the reviewers discussed the administrative and statutory requirements and reviewed recipient documents.

Due to the Coronavirus 2019 (COVID-19) Public Health Emergency, the FTA conducted a virtual site visit for this Triennial Review. In addition, the FTA expanded the review to address NVCOG's compliance with the administrative relief and flexibilities that the FTA granted, and the requirements of the COVID-19 Relief funds received through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) of 2021, and the American Rescue Plan (ARP) Act of 2021. The FTA also requested the NVCOG share if and/or how it suspended, deviated from, or significantly updated or altered its transit program due to the public health emergency.

The FY2023 Triennial Review focused on NVCOG's compliance in 23 areas. Deficiencies related to the COVID-19 Relief funds have been clearly identified as part of the deficiency description in the respective review area. There were no repeat deficiencies from the FY 2019 Triennial Review.

A deficiency was found in the area listed below.

Review Area	Deficiencies	
	Code	Description
Financial Management and Capacity	F8-1	Ineligible operating expense calculation

II. Review Background and Process

1. Background

The Triennial Review includes a review of the recipient's compliance in 23 areas. The basic requirements for each of these areas are summarized in Section IV. The FTA contracts with experienced reviewers to lead and conduct the Triennial Reviews, in partnership with the staff of the regional office.

This report presents the findings from the Triennial Review of the recipient. The review concentrated on procedures and practices employed since the recipient's previous Triennial Review in 2019; however, coverage was extended to earlier periods as needed to assess the policies in place and the management of award funds. The specific documents reviewed and referenced in this report are available at the FTA's Region 1 office or the recipient's office.

2. Process

The Triennial Review includes a pre-review assessment, a desk review and scoping meeting with the FTA regional office, and a site visit to the recipient's location. Due to the COVID-19 Public Health Emergency, a virtual site visit was conducted of each recipient. In addition, the review was expanded to address the recipient's compliance with the administrative relief and flexibilities FTA granted and the requirements of the COVID-19 relief funds received through the CARES Act, CRRSAA of 2021, and the ARP Act of 2021. The FTA also requested that the recipient share if and/or how it suspended, deviated from, or significantly updated or altered its transit program due to the public health emergency.

The fiscal year (FY) 2023 process began with the regional office transmitting a notification of the review and a Recipient Information Request (RIR) to the recipient on November 23, 2022, indicating a review would be conducted. While the recipient prepared its response to the RIR, the regional office and review team conducted the scoping meeting on February 24 and 27, 2023. Regional office staff provided electronic files as necessary to the reviewers who also accessed recipient information in the FTA electronic award management (TrAMS) and oversight (OTrak) systems. Following the desk review and scoping meeting, the reviewer and the recipient corresponded and exchanged information and documentation in preparation for the virtual site visit. Prior to the virtual site visit, the reviewer sent to the recipient on July 11, 2023, an agenda package indicating the issues that would be discussed, records to be reviewed, and interviews to be conducted.

The virtual site visit portion of the review began with an entrance conference on March 30, 2023, at which the reviewers and regional staff discussed the purpose of the Triennial Review and the review process. The reviewers conducted additional interviews and reviewed documentation to evidence the recipient's compliance with FTA requirements.

Upon completion of the virtual site visit, the Reviewers and the FTA regional office staff provided a summary of preliminary findings to the recipient at the exit conference on September 13, 2023. Section VI of this report lists the individuals participating in the site visit.

3. Metrics

The metrics used to evaluate whether a recipient is meeting the requirements for each of the areas reviewed are:

- *Not Deficient*: An area is considered not deficient if, during the review, nothing came to light that would indicate the requirements within the area reviewed were not met.
- *Deficient*: An area is considered deficient if any of the requirements within the area reviewed were not met.
- *Not Applicable*: An area can be deemed not applicable if, after an initial assessment, the recipient does not conduct activities for which the requirements of the respective area would be applicable.

III. Recipient Description

1. Organization

The Naugatuck Valley Council of Governments (NVCOG) provides a regional framework within which municipalities can jointly address common interests and coordinate such interests with state and federal plans and programs. It was established on January 1, 2015 as the result of the merger of the Valley Council of Governments (VCOG) and the Council of Governments of the Central Naugatuck Valley (COGCNV), and the addition of the City of Bristol and the Town of Plymouth, formerly of the Central Connecticut planning region. Established under Sections 4-124i of the Connecticut General Statutes, the NVCOG is a forum for the chief elected officials of the 19 municipalities located in the planning region to coordinate and collaborate on regional planning, services, and programs. Each member municipality has equal representation on the NVCOG board.

Naugatuck Valley Council of Governments and the Valley Transit District (VTD) cooperatively provide planning and transit services to the residents of the member municipalities and those persons eligible for services through any federal, state, or local programs under the above conditions and pursuant to the MOU between the VTD and NVCOG. NVCOG provides the planning, programmatic, and administrative support and provides oversight of the Section 5307 FTA capital program to the VTD. The service area of the VTD is comprised of the cities of Ansonia, Derby, and Shelton; and the Town of Seymour. This service area is 58.5 square miles in area and has a population of approximately 88,000 persons.

VTD operates dial-a-ride and complementary paratransit service. Service is provided weekdays from 6:00 a.m. to 5:30 p.m. There is no service on Saturdays and Sundays.

The general public fare is \$4.50. Riders taking work or school trips or seniors (60 and over) or riders with an ADA certification ride for \$3.50.

VTD operates a fleet of 14 FTA-funded mini-buses. The VTD administration and maintenance facility is located at 41 Main Street, Derby, CT, adjacent to the Derby-Shelton Multi-modal Center at 12 Main Street, Derby, CT. Both facilities are FTA-funded.

2. Award and Project Activity

Below is a list of NVCOG's open awards at the time of the review.

Award Number	Award Amount	Year Executed	Description
CT-2016-016	\$3,744,000	2016	Valley Transit District – Facility Expansion and Rehabilitation – Replace 14 Paratransit Vehicles - Admin Capital
CT-2018-015	\$240,000	2018	Valley Transit District- Admin Capital/Misc Support/Fuel Tank Replace/Program Admin

Award Number	Award Amount	Year Executed	Description
CT-2016-014	\$523,970	2016	Route 8 Corridor Alt. Modes Analysis
CT-2016-013	\$7,456,353	2016	Facility Design and Rehab/Renovations
CT-2021-006	\$440,000	2021	NVCOG/VTD Admin Capital/Misc. Support Equip
CT-2020-007	\$1,100,000	2021	CARES Act Relief for NVCOG-Valley Transit District
CT-2022-014	\$800,000	2022	NVCOG/VTD American Rescue Plan (ARP)
CT-2023-015	\$1,735,000	2023	NVCOG CRRSAA 5307 - Valley Transit District Operating Assistance

NVCOG received Supplemental Funds for operating assistance in award numbers CT-2020-007 and CT-2023-015. This is NVCOG's first time receiving operating assistance from the FTA.

Ongoing Projects

NVCOG is currently implementing the following noteworthy projects:

- A Valley Transit District Bus Shelter Replacement Project that will install new bus shelters at up to 20 locations including existing locations at which shelters are deteriorated. Currently completing an evaluation of potential locations and developing concept design for the shelters.
- Conducting a Route 8 and Waterbury Branch Line (WBL) Alternative Modes Assessment Project that is assessing opportunities for implementing alternative transit options along the Route 8 corridor and developing a program of projects to improve the WBL infrastructure and enhance rail service. A key component of the project is acquisition of equipment operating on the line, rehabilitation of station areas, including new buildings, and expansion of service. The project includes an on-board passenger survey and count, assessment of TOD opportunities in vicinity of stations, feasibility of instituting BRT along Route 8, and developing a video that visualizes recommendations.

IV. Results of the Review

1. Legal

Basic Requirement: The recipient must promptly notify the FTA of legal matters and additionally notify the USDOT Office of Inspector General (OIG) of any instances relating to false claims under the False Claims Act or fraud. Recipients must comply with restrictions on lobbying requirements.

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

2. Financial Management and Capacity

Basic Requirement: The recipient must have financial policies and procedures; an organizational structure that defines, assigns, and delegates fiduciary authority; and financial management systems in place to manage, match, and charge only allowable costs to the award. The recipient must conduct required Single Audits, as required by 2 CFR Part 200, and provide financial oversight of subrecipients.

Finding: During this Triennial Review of NVCOG, a deficiency was found with the FTA requirements for Financial Management and Capacity.

Deficiency Description:

Ineligible operating expense calculation (F8-1)

Per FTA Circular 9030.1E, Ch. III, Section 8c. Use of Program Income as Local Share, “In a grant application requesting operating assistance, the applicant must deduct farebox revenues from operating costs to arrive at the net project cost of an operating assistance project. See Appendix C, ‘Operating Assistance Projects,’ of this circular for assistance in calculating the net project cost of a grant requesting operating assistance. Recipients must represent all funds used to cover eligible operating expenses in the worksheet. This category includes public transportation farebox revenues.”

NVCOG was awarded operating assistance for the first time in award CT-2020-007-01 CARES Act Relief for NVCOG-Valley Transit District. The reviewer requested documentation to support three ECHO draws made on June 17, 2020 (\$331,986), June 30, 2020 (\$135,706), and May 20, 2021 (\$48,656). The initial review of the operating expense documentation provided for the three ECHO draws from that award did not contain any deduction for farebox revenue, other revenues, or operating subsidy from the state of Connecticut normally provided to the Valley Transit District to provide ADA and Dial-a-Ride services. Subsequently, NVCOG provided annualized financial documentation for January 20, 2020 through June of 2022 that contained revenues from farebox, contracts, other sources, and the Human Services contract revenue from CTDOT. The result of a review of that information indicates the recipient drew down FTA CARES Act Operating Assistance funds in excess of net operating expenses at the time of the three draws noted above.

Prior to the Exit Conference, the FTA regional office arranged for the NVCOG to receive a COVID-19 Relief ECHO Drawdown Review of the CARES Act draws made. The FTA regional office will rely on that review to determine if NVCOG drew down operating funds in excess of allowed amounts and to determine the appropriate corrective action. In addition, the review will provide technical assistance to the NVCOG to develop procedures for properly calculating net eligible project costs for operating assistance.

Corrective Actions and Schedule: For the deficiency *Ineligible operating expense calculation (F8-1)*, by March 15, 2024, if the NVCOG has received operating funds in excess of allowable amounts, it must work with the FTA regional office and regional counsel to determine the appropriate corrective action.

3. Technical Capacity – Award Management

Basic Requirement: The recipient must report progress of projects in awards to the Federal Transit Administration (FTA) and close awards timely.

Finding: During this Triennial Review of NVCOG, no deficiencies were found with the FTA requirements for Technical Capacity – Award Management.

4. Technical Capacity - Program Management & Subrecipient Oversight

Basic Requirement: States must document and follow a public involvement process for the development of the long-range statewide transportation plan and State Transportation Improvement Program (STIP). Designated recipients of Sections 5310, 5311, and 5339 funds must develop and submit a State Management/Program Management Plan to the FTA for approval. Recipients must enter into an agreement with each subrecipient, obtain required certifications from subrecipients, report in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) on subawards, and ensure subrecipients comply with the terms of the award.

This section only applies to recipients that have subrecipients; therefore, the related requirements are not applicable to the Triennial Review of NVCOG.

5. Technical Capacity – Project Management

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

Finding: During this Triennial Review of NVCOG, no deficiencies were found with the FTA requirements for Technical Capacity – Project Management.

6. Transit Asset Management

Basic Requirement: Recipients must comply with 49 CFR Part 625 to ensure public transportation providers develop and implement transit asset management (TAM) plans.

Finding: During this Triennial Review of NVCOG, no deficiencies were found with the FTA requirements for Transit Asset Management.

7. Satisfactory Continuing Control

Basic Requirement: The recipient must ensure that FTA-funded property will remain available to be used for its originally authorized purpose throughout its useful life until disposition.

Finding: During this Triennial Review of NVCOG, no deficiencies were found with the FTA requirements for Satisfactory and Continuing Control.

8. Maintenance

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

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

9. Procurement

Basic Requirement: The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, and conform to applicable Federal law and the standards identified in 2 CFR Part 200. State recipients can use the state's overall policies and procedures. When applied to Federal procurements, those policies and procedures must still be compliant with all Federal requirements as applied to non-state recipients. The flexibility afforded by 2 CFR Part 200 should not be misconstrued as absolving a state from Federal requirements. For example, the FTA does not require each State DOT to have policies and procedures separate from the state education department.

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

10. Disadvantaged Business Enterprise (DBE)

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

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

11. Title VI

Basic Requirement: The recipient must ensure that no person shall, on the grounds of race, color, or national origin, be excluded from participating in, or be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance without regard to whether specific projects or services are federally funded. The recipient must ensure that all transit services and related benefits are distributed in an equitable manner.

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

12. Americans with Disabilities Act (ADA) – General

Basic Requirement: Titles II and III of the Americans with Disabilities Act of 1990 provide that no entity shall discriminate against an individual with a disability in connection with the provision of transportation service. The law sets forth specific requirements for vehicle and facility accessibility and the provision of service, including complementary paratransit service.

Finding: During this Triennial Review of NVCOG, no deficiencies were found with the US DOT requirements for ADA – General.

13. ADA – Complementary Paratransit

Basic Requirement: Under 49 CFR 37.121(a), each public entity operating a fixed-route system shall provide paratransit or other special service to individuals with disabilities that is comparable to the level of service provided to individuals without disabilities who use the fixed-route system. “Comparability” is determined by 49 CFR 37.123-37.133. Requirements for complementary paratransit do not apply to commuter bus, commuter rail, or intercity rail systems.

Finding: During this Triennial Review of NVCOG, no deficiencies were found with the US DOT requirements for ADA – Complementary Paratransit.

14. Equal Employment Opportunity

Basic Requirement: The recipient must ensure that no person in the United States shall on the grounds of race, color, religion, national origin, sex, age or disability be excluded from participating in, or denied the benefits of, or be subject to discrimination in employment under any project, program or activity receiving Federal financial assistance under the Federal transit laws.

Finding: During this Triennial Review of NVCOG, no deficiencies were found with the FTA requirements for Equal Employment Opportunity.

15. School Bus

Basic Requirement: Recipients are prohibited from providing school bus service in competition with private school bus operators unless the service qualifies and is approved by the FTA Administrator under an allowable exemption. Federally-funded equipment or facilities cannot be used to provide exclusive school bus service.

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

16. Charter Bus

Basic Requirement: Recipients are prohibited from using the FTA-funded equipment and facilities to provide charter service that unfairly competes with private charter operators. Recipient may operate charter only when the service meets a specified exception defined in rule.

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

17. Drug Free Workplace Act

Basic Requirement: Recipients are required to maintain a drug free workplace for all award-related employees; report any convictions occurring in the workplace timely; and have an ongoing drug free awareness program.

Finding: During this Triennial Review of NVCOG, no deficiencies were found with the FTA requirements for Drug-Free Workplace Act.

18. Drug and Alcohol Program

Basic Requirement: Recipients receiving Section 5307, 5309, 5311, or 5339 funds that have safety-sensitive employees must have a drug and alcohol testing program in place for such employees.

Finding: During this Triennial Review of NVCOG, no deficiencies were found with the FTA requirements for Drug and Alcohol Program.

19. Section 5307 Program Requirements

Basic Requirement: The recipient must participate in the transportation planning process in accordance with FTA requirements and the metropolitan and statewide planning regulations.

Recipients shall develop, publish, afford an opportunity for a public hearing on, and submit for approval, a program of projects (POP).

Recipients are expected to have a written, locally developed process for soliciting and considering public comment before raising a fare or carrying out a major transportation service reduction.

For fixed-route service supported with Section 5307 assistance, fares charged seniors, persons with disabilities or an individual presenting a Medicare card during off peak hours will not be more than one half the peak hour fares.

Finding: During this Triennial Review of NVCOG, no deficiencies were found with the FTA requirements for Section 5307 Program Requirements.

20. Section 5310 Program Requirements

Basic Requirement: Recipients must expend Section 5310 funds on eligible projects that meet the specific needs of seniors and individuals with disabilities. Projects selected for funding must be included in a locally developed, coordinated public transit-human services transportation plan. Recipients must approve all subrecipient leases of Section 5310-funded vehicles. Leases of Section 5310-funded vehicles must include required terms and conditions. Either the recipient or subrecipient must hold title to the leased vehicles.

This section only applies to recipients that receive Section 5310 funds directly from FTA; therefore, the related requirements are not applicable to the Triennial Review of NVCOG.

21. Section 5311 Program Requirements

Basic Requirement: States must expend Section 5311 funds on eligible projects to support rural public transportation services and intercity bus transportation.

This section only applies to recipients that receive Section 5311 funds directly from FTA; therefore, the related requirements are not applicable to the Triennial Review of NVCOG.

22. Public Transportation Agency Safety Plan (PTASP)

Basic Requirement: Recipients must comply with the Public Transportation Agency Safety Plan (PTASP) regulation (49 CFR Part 673) to ensure public transportation providers develop and implement an Agency Safety Plan (ASP).

Finding: During this Triennial Review of NVCOG, no deficiencies were found with the FTA requirements for PTASP Requirements.

23. Cybersecurity

Basic Requirement: Recipients that operate rail fixed guideway public transportation systems must certify compliance with the requirements for establishing a cybersecurity process under 49 U.S.C. § 5323(v), a new subsection added by the National Defense Authorization Act for Fiscal Year 2020, Pub. L. 116-92, § 7613 (Dec. 20, 2019).

This section only applies to recipients that operate rail fixed guideway public transportation systems; therefore, the related requirements are not applicable to the Triennial Review of NVCOG.

V. Summary of Findings

Review Area	Finding	Deficiency Code(s)	Corrective Action(s)	Response Due Date(s)	Date Closed
1. Legal	ND				
2. Financial Management and Capacity	D	F8-1: Ineligible operating expense calculation	If the NVCOG has received operating funds in excess of allowable amounts, it must work with the FTA regional office and regional counsel to determine the appropriate corrective action.	March 15, 2024	
3. Technical Capacity – Award Management	ND				
4. Technical Capacity – Program Management and Subrecipient Oversight	NA				
5. Technical Capacity – Project Management	ND				
6. Transit Asset Management	ND				
7. Satisfactory Continuing Control	ND				
8. Maintenance	ND				
9. Procurement	ND				
10. Disadvantaged Business Enterprise	ND				
11. Title VI	ND				
12. Americans with Disabilities Act (ADA) - General	ND				
13. ADA – Complementary Paratransit	ND				
14. Equal Employment Opportunity	ND				
15. School Bus	ND				
16. Charter Bus	ND				
17. Drug Free Workplace Act	ND				
18. Drug and Alcohol Program	ND				
19. Section 5307 Program Requirements	ND				
20. Section 5310 Program Requirements	NA				
21. Section 5311 Program Requirements	NA				
22. Public Transportation Agency Safety Plan	ND				
23. Cybersecurity	NA				

The metrics used to evaluate whether a recipient is meeting the requirements for each of the areas reviewed are: Deficient (D)/Not Deficient (ND)/Not Applicable (NA)

VI. Attendees

Name	Title	Phone Number	E-mail Address
NVCOG			
Rick Dunne	Executive Director	203-489-0364	rdunne@nvcogct.gov
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Richard Donovan	Transportation Planning Director	203-489-0361	rdonovan@nvcogct.gov
Elliot Wareham	Transportation Planner	203-489-0514	ewareham@nvcogct.gov
Valley Transit District			
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Qi Tech, LLC & AdSTM, Inc.			
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VII. Appendices