

# Marin County Transit District Active Transportation Program Audit Report



**Audit Report**

**December 2018**

## PREPARED BY:

California Department of Transportation  
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## AUDIT TEAM

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# **SUMMARY, OBJECTIVES, SCOPE, METHODOLOGY, BACKGROUND, AND CONCLUSION**

## **SUMMARY**

The Independent Office of Audits and Investigations (IOAI), California Department of Transportation (Caltrans), audited Marin County Transit District's (Marin Transit) project deliverables (i.e. outputs) and outcomes of Active Transportation Program (ATP) agreement ATPL-6343(004) (Agreement), project Pedestrian Access & Safety Improvements for the Downtown Novato Bus Transit Facility (Project). We found that the initial pedestrian and bicyclist (User) counts, project deliverables, and outcomes from the project allocation of \$989,000 were not consistent with the executed Agreement, ATP Application, and the California Transportation Commission (CTC) ATP Guidelines. The audit of the project outcomes was limited to the City's initial User counts as the one and five-year outcome milestones are not yet due.

## **OBJECTIVES**

We performed our audit to determine whether project deliverables and outcomes were consistent with the project scope, schedule, and benefits described in the Agreement or approved amendments, the ATP application, and the CTC ATP Guidelines. Our audit period was from June 30, 2016, to October 2, 2018.

## **SCOPE**

The Agreement was between Caltrans and Marin Transit. The audit was limited to compliance activities. Our field work was completed on October 2, 2018. Transactions occurring subsequent to this date were not tested and, accordingly, are not reflected in our conclusion.

## **METHODOLOGY**

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The audit was less in scope than an audit performed for the purpose of expressing an opinion on the financial statements of Marin Transit. Therefore, we did not audit, and are not expressing an opinion, on Marin Transit's financial statements.

The audit included interviews of Marin Transit staff, review of prior audit reports, assessment of internal controls, review of project deliverables and outcomes, and obtaining an understanding of Marin Transit's grant management system. The audit also included review of project reports and a visit to the project sites. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the data and the records selected.

## **BACKGROUND**

The ATP was created by Senate Bill 99 (Chapter 359, Statutes of 2013) and Assembly Bill 101 (Chapter 354, Statutes of 2013) to encourage increased use of active modes of transportation. The ATP consolidated various transportation programs into a single program and was originally funded at about \$123 million per year from a combination of state and federal funds. Recently, the Road Repair and Accountability Act of 2017, Senate Bill 1 (Chapter 5, Statutes of 2017), added approximately \$100 million per year in available funds for the ATP.

The audited Project is an infrastructure project to reconstruct the existing Downtown Novato transit facility to improve user safety, bus operations, accessibility, and provide new bicycle racks.

## **CONCLUSION**

Based on our audit, we determined that most of the project was built consistent with the Agreement, however, not all project deliverables and outcomes to date were consistent with the project scope and benefits described in the Agreement, ATP application, and the CTC ATP Guidelines. Final outcomes could not be fully assessed as the milestones were estimated for one and five-year periods after the project becomes operable; therefore, at the time of this audit, the outcomes were not yet due.

Specifically, we determined that:

- Marin Transit is unable to justify the beginning and projected User counts included as project outcomes in their ATP Application.
- A security camera included as a deliverable in the ATP Application was not installed.
- The first Project Progress Report due six months after project allocation was submitted sixteen months after project allocation, two months after the project was in operation.

## **VIEWS OF RESPONSIBLE OFFICIALS**

Our findings and recommendations consider Marin Transit's response, dated December 13, 2018, to our December 5, 2018, draft report. Our findings and recommendations, Marin Transit's response, and our analysis of the response are set forth in the Findings and Recommendations section of this report. A copy of Marin Transit's full written response is included as Attachment I.

This report is a matter of public record and will be placed on Caltrans' webpage, which can be viewed at: [ig.dot.ca.gov](http://ig.dot.ca.gov).

If you have questions, please contact Luisa Ruvalcaba, Audit Manager, at (916) 323-7888.

Originally signed by:

**MARSUE MORRILL, CPA**  
**Chief**  
**Planning and Modal Office**  
**Independent Office of Audits and Investigations**

**December 20, 2018**

## FINDINGS AND RECOMMENDATIONS

### FINDING 1 – Beginning Projected Outcome Estimates Not Substantiated

The Marin County Transit District (Marin Transit) lacked the methodology to justify and substantiate the beginning count of 1,000 pedestrian and bicyclists (Users) and the estimated increase to 1,100 Users one year after project completion. Marin Transit relied on a 2008 South Novato Transit Hub Study which identified before and projected User counts at the project location, but the study did not include the methodology used to arrive at the counts.

Marin Transit did not know the methodology used to arrive at the counts and failed to obtain the information from the consultant. Without the methodology used to determine User counts, Marin Transit will not be able to evaluate the effectiveness of the expected outcomes.

Program Supplement No. 088 to Administering Agency-State Agreement for State Funded Project No. 00497S states, *“This project will be administered in accordance with the applicable CTC STIP Guidelines and the Active Transportation Program Guidelines as adopted or amended, the LAPM and this Program Supplement.”*

Per the Local Assistance Programs Guidelines (LAPG), Chapter 22, ATP, Section 22.17, *“The Active Transportation Program will be evaluated for its effectiveness in increasing the use of active modes of transportation in California. Evaluation is a requirement on all infrastructure and non-infrastructure projects. 1. For ATP bike, pedestrian, and trail projects: the implementing agency must submit before and after pedestrian and/or bicycle counts, and an explanation of the methodology used for conducting the counts.”*

Active Transportation Program Cycle 2, Application Form for Part A by Marin Transit states, *“Estimation of Active Transportation Users, existing counts: 1,000 pedestrians, and 70 bicyclists; One year projection: 1,100 pedestrians, and 74 bicyclists.”*

### RECOMMENDATION

We recommend Marin Transit:

- Provide and maintain substantiated data to support outcomes projected for future Active Transportation Program (ATP) projects.
- Establish policies and procedures to properly administer ATP projects and train staff accordingly.

## **SUMMARY OF RESPONSE FROM MARIN TRANSIT**

In the grant application, Marin Transit included an estimate of pedestrians and bicyclist using the project area based on data from prior reports. No specific counts for the project were available, so Marin Transit included an estimate based on access surveys and transit ridership information. Marin Transit understands that after the grant award, Caltrans needed project specific counts before project construction to allow for a better evaluation of project outcomes. For future ATP projects or grants with similar requirements, Marin Transit staff will ensure data related to the project site before construction is sufficient for the grant evaluation.

After the project was in service, Marin Transit hired a consultant to take pedestrian and bicycle counts for the ATP grant.

See Attachment I for the complete Marin Transit's response.

## **ANALYSIS OF MARIN TRANSIT'S RESPONSE**

We appreciate Marin Transit's efforts to hire a consultant to help with their counts. Any processes implemented subsequent to our fieldwork have not been audited or reviewed.

## **FINDING 2 – Not All Deliverables Were Met**

Marin Transit project deliverables (i.e. outputs) were not consistent with the project scope, in accordance with their Agreement, ATP Application, and the California Transportation Commission ATP Guidelines.

Specifically, we identified the following deficiencies:

- A security camera with a cost of \$54,668 was included as a deliverable in Marin Transit's approved ATP Application but the security camera was not installed, and the Agreement was not amended to remove installation of the camera. This cost is disallowed.
- Marin Transit's Project Progress Report (PPR) was submitted November 6, 2017 two months after the project was in operation. The allocation was effective June 29, 2016, thus the first PPR was due December 29, 2016.

Marin Transit staff stated they did not purchase and install a security camera at the project location because the City of Novato, where the project is located, is procuring a city-wide security camera system. As of end of our fieldwork, no security camera system had been installed, and there was no estimated timeframe to do so. The Marin Transit project site has suffered vandalism while no security camera has been in place.



A PPR was not submitted because Marin Transit did not think reporting was required until work started on the project. By not submitting timely PPRs, Caltrans may not be able to ensure projects are executed in a timely fashion and within scope and budget.

CTC June 29-30, 2016 Financial Vote List, 2.5 w (2) – Active Transportation Program Projects item # 9, Approved under Outcome/Output states in part, *“Improve safety at mid-block crossing by improving site lines, reducing crossing and adding a pedestrian signal. Improve safety on pedestrian refuge island and transit boarding location by removing low shelters, increasing lighting, and installing security camera.”*

CTC 2015 ATP Guidelines state, *“Project applicants nominate Active Transportation Program projects for funding consideration. If awarded Active Transportation Program funding for a submitted project, the project applicant (or partnering implementing agency if applicable) has contractual responsibility for carrying out the project to completion and complying with reporting requirements in accordance with federal, state, and local laws and regulations, and these guidelines....”*

Local Assistance Programs Guidelines (LAPG), Chapter 22, ATP, Section 22.17 Project Reporting states in part, *“As a condition of the project allocation, the CTC will require the implementing agency to submit semi-annual reports, to their District Local Assistance Engineers, on the activities and progress made toward implementation of the project and a final delivery report....”*

## RECOMMENDATION

We recommend Marin Transit:

- Install the security camera as outlined in the ATP Application or reimburse Caltrans the \$54,668 disallowed costs identified above.
- Ensure PPRs are submitted semi-annually once ATP project funds are allocated.

## SUMMARY OF RESPONSE FROM MARIN TRANSIT

Eight cameras will be installed by the City and are expected to be operational by March 2019. Marin Transit will notify Caltrans when the cameras are installed and active.

Marin Transit staff verified that an initial semi-annual progress report was not submitted for the project. Marin Transit will review the grant initiating process and procedures to ensure this does not occur in the future.

See Attachment I for Marin Transit’s response.



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# ATTACHMENT I

December 13, 2018

MarSue Morrill  
 Chief, Planning and Modal Office  
 California Department of Transportation  
 Independent Office of Audits and Investigations  
 Post Office Box 942874  
 Sacramento, California, 94274

**SUBJECT: Response to Caltrans Audit Report for Marin County Transit District's Active Transportation Program Grant**

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Dear Ms. Morrill:

Marin County Transit District (Marin Transit) staff appreciates the professionalism and diligence of the Caltrans audit team in their review of our project that received Active Transportation Program (ATP) funds. Their scope was to look at our internal controls, grant management and determine if our project met the scope of the ATP grant.

The Downtown Novato Bus Stop Improvements project was awarded \$989,000 in ATP grant funds towards the project's total construction costs of \$4.8 million. While only 20% of the total project construction costs, ATP funds allowed for the full signalization of a midblock crossing and were critical to funding the pedestrian and bicycle components of a renovation and rebuilding of a transit facility. The prior facility had two uncontrolled mid-block crossings on a four-lane road with limited site distances. In addition, dark, low pedestrian shelters inhibited monitoring by public safety officers and needed accessibility improvements.

Marin Transit was successful in delivering the project timely and the new facility and pedestrian crossing was in service within 14 months of the grant award. Marin Transit successfully used the Marin Conservation Corp to remove trees and prepare site meeting the ATP grant requirement and providing valuable job training. The project has been well received by the community and it has dramatically improved the project area for pedestrians and transit riders.

**Project Timeline**

Grant Award by CTC	June 30, 2016
Construction Contract Awarded	November 21, 2016
Construction Began	February 13, 2017
Project in Service	September 21, 2017
Final Contract Acceptance	March 12, 2018
City of Novato to Install New Security Cameras	March 2019

During the audit of out ATP project Caltrans identified the following items:

*Finding 1) Beginning Projected Outcome Estimates Not Substantiated*

Marin Transit response: In the grant application, Marin Transit included an estimate of pedestrians and bicyclist using the project area based on data from prior reports. No specific counts for the project were available, so Marin Transit included an estimate based on access surveys and transit ridership information.

Marin Transit, understands that after the grant award, Caltrans needed project specific counts before project construction to allow for a better evaluation of project outcomes. Marin Transit met with Caltrans staff multiple times, including at the project site to discuss the project before the grant award and no request was made for direct counts prior to construction. Since this was not raised during the project review process before award, Marin Transit had incorrectly assumed that the initial counts estimates were sufficient.

For future ATP projects, or grants with similar requirements, Marin Transit staff will ensure data related to the project site before construction is sufficient for the grant evaluation. It may also be helpful if Caltrans were to review data provided or fund data collection as part of the award process.

After the project was in service, Marin Transit hired a consultant to take pedestrian and bicycle counts for the ATP grant. At the request of Caltrans, Marin Transit, at its expense, will repeat these counts a year from contract acceptance to see if pedestrian and bicycle activity has increased.

*Finding 2) Not All Deliverables Met*

a) Security Cameras Were Not Installed

Marin Transit response - The new security camera system included in the project scope was delayed to accommodate the City of Novato's timeline for developing a comprehensive city-wide audio-visual equipment upgrade and video management system. Our project will be included in the system that will be monitored by the City of Novato Police Department. In the interim, as approved by the city, Marin Transit's contractor re-installed one of the older security cameras; however, these cameras are incompatible with the city's current monitoring system. Eight cameras will be installed by the City and are expected to be operational by March 2019. Marin Transit will notify Caltrans when the cameras are installed and active.

b) Initial Progress Report was not completed

Marin Transit response - Marin Transit staff verified that an initial semi-annual progress report was not submitted for the project. Work was complete within an eight (8) month period and only one semi-annual progress report was completed. This report included all work done on the project. Marin Transit will review the grant initiating process and procedures to ensure this does not occur in the future. Marin Transit would also like to note that Caltrans was improving grant monitoring procedures during this time and that the reports are intended to allow Caltrans to ensure projects are being implemented in a timely fashion. Marin Transit's project was delivered according to the project schedule.

Again, thank you for your review of our project and we look forward to working with Caltrans on future grant awards.

Respectfully submitted.  
Originally signed by:

Lauren Gradia  
Director of Finance and Capital Projects