2015 FRA
Rail Program Delivery

RAIL
Moving America Forward

FRA Grant Management and Risk Reduction

Michael Longley

Andrew Peternith

U.S. Department of Transportation
Federal Railroad Administration
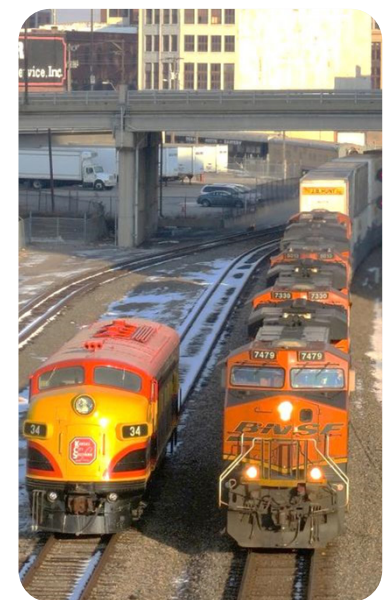
Our Story: Build, Perform, and Plan for Future

Overnight Growth

$33M → **$19B**

Stages of Development

Foundation Building

Performance Focused

An Eye to the Future

2009   **2010**   **2011**   **2012**   **2013**   **2014**   **2015** →
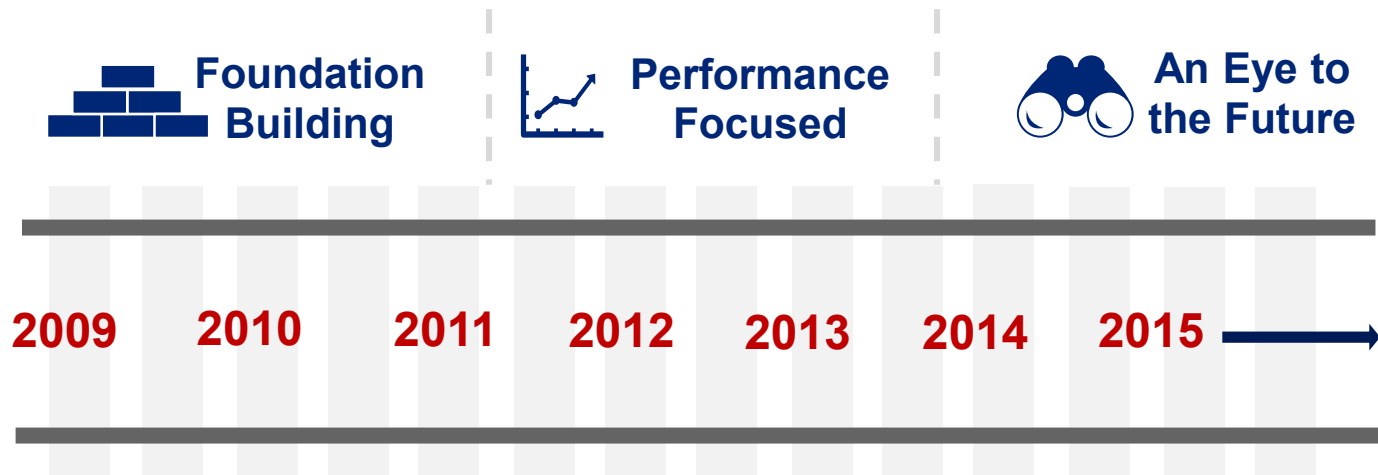
In the Beginning…

Vision

Created a clear <u>program vision and program guidance</u> to promote sound project development and quality grant applications

Oversight

Designed and implemented an <u>organization</u> focused on effective, seamless oversight
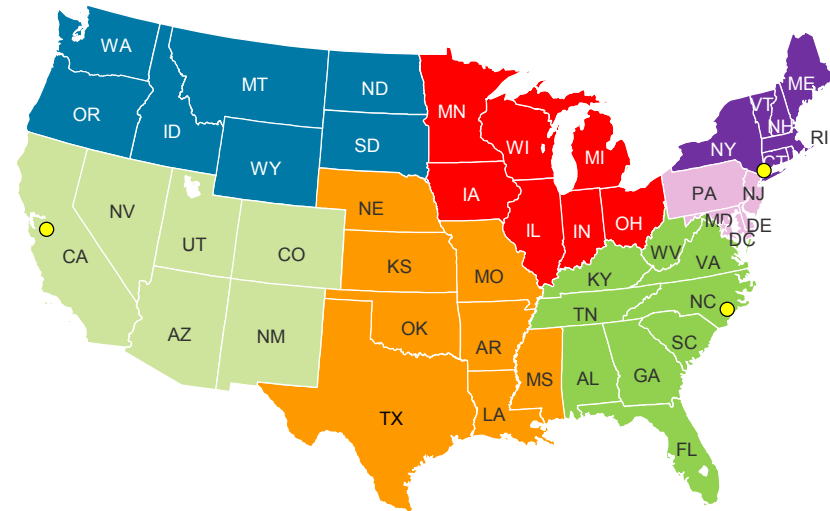
Support

Implemented a <u>technical assistance</u> program to support successful project implementation

Oversight Strategy

For FRA, effective oversight started with the right organizational design. We chose a non-traditional, matrixed approach for integrating subject-matter experts and providing a single touch point for grantees.
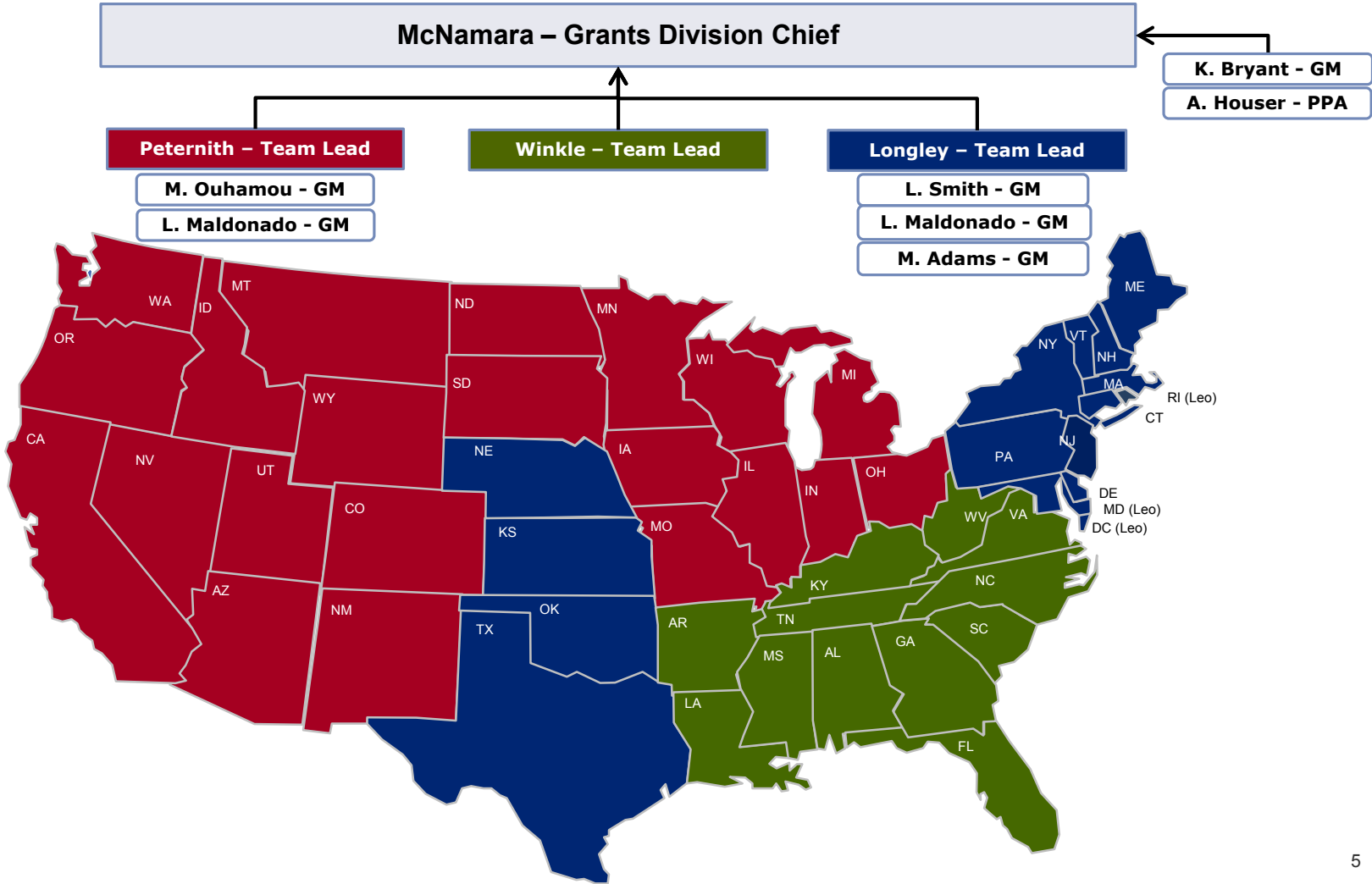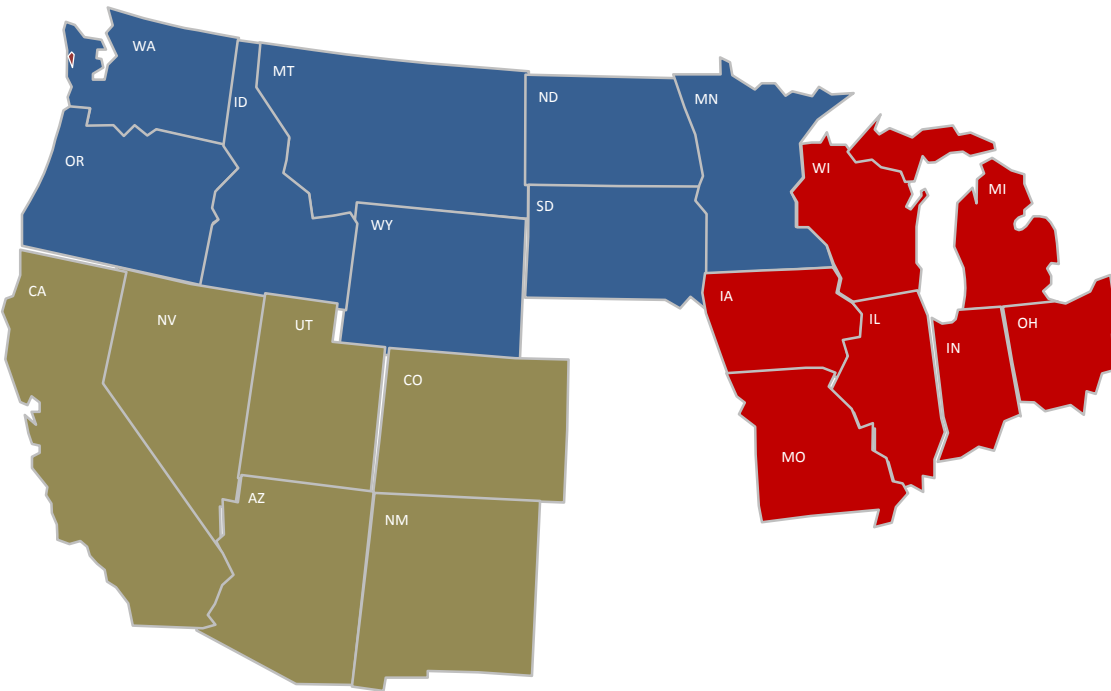

Team Structure

Regions

The Office of Railroad Policy & Development – Grants (RPD-11)

The regional Grants Team consists of one Chief, three Team Leads, and five grants management specialists, and a policy program analyst

McNamara – Grants Division Chief

K. Bryant - GM
A. Houser - PPA

Peternith – Team Lead
M. Ouhamou - GM
L. Maldonado - GM

Winkle – Team Lead

Longley – Team Lead
L. Smith - GM
L. Maldonado - GM
M. Adams - GM

The Western/Central Region

Western Team Leader

Andrew Peternith

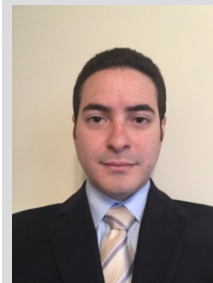Illinois
Indiana
Iowa
Michigan
Missouri
Ohio
Wisconsin

Grants Management Specialist

Mariam Ouhamou

Arizona
California
Colorado
Nevada
New Mexico
Utah

Grants Management Specialist

Leo Maldonado

Idaho
Minnesota
Montana
North Dakota
Oregon
South Dakota
Washington
Wyoming

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The Eastern/Mid-Atlantic Region

Eastern Team Leader

Michael Longley

Connecticut
Massachusetts
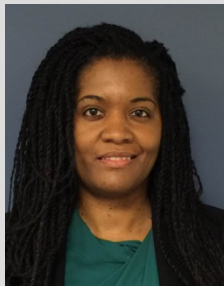Pennsylvania

Southeast Team Leader

John Winkle

Alabama   North Carolina
Florida   South Carolina
Georgia   Tennessee
Kentucky   Virginia
Louisiana   West Virginia
Mississippi

Grants Management Specialist
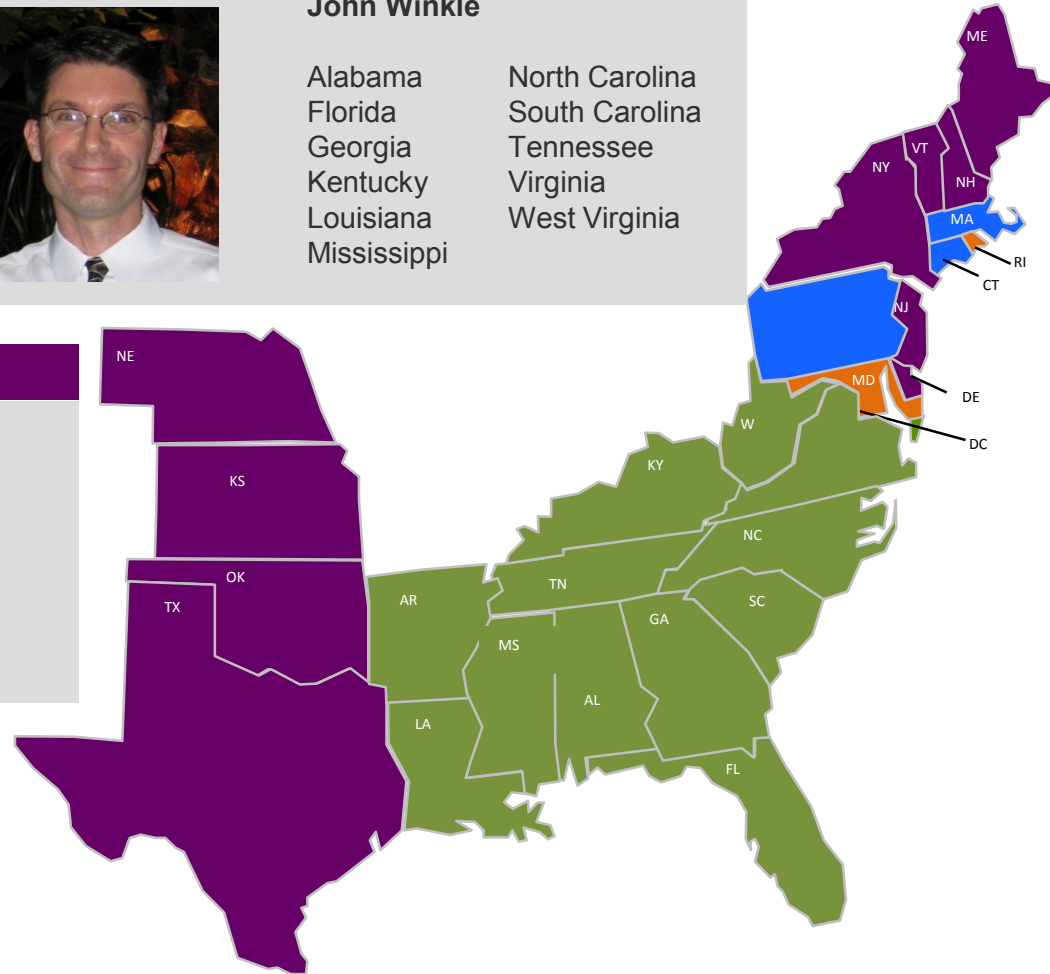
Lisa Smith

Delaware   New Jersey
Kansas   New York
Maine   Oklahoma
Nebraska   Texas
New Hampshire   Vermont

Grants Management Specialist

Leo Maldonado

District of Columbia
Maryland
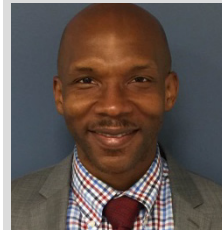Rhode Island

The Office of Railroad Policy & Development - Grants

The Grants Team also consists of an Amtrak grant manager, an ARRA HSIPR grant manager and a Policy Program analyst.
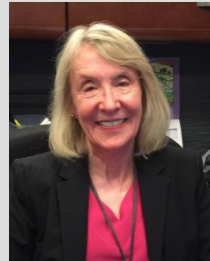
Amtrak Grant Manager
Katy Bryant

ARRA HSIPR Grant Manager
Moshe Adams

Policy Program Analyst
Amy Houser

RPD-11 Overview

The Grants Management Division is responsible for supporting passenger and freight railroading through a variety of competitive and directed grants/cooperative agreements which aim to develop safety improvements, relieve congestion, and encourage the expansion and upgrade of passenger and freight rail infrastructure and services.

RPD-11 performs a critical Grants Function by…

- Managing processes and procedures across the grant lifecycle
- Coordination project implementation with FRA's Regional Teams
- Managing the critical grantee interactions at major milestones, including application, reporting, payments, monitoring, and closeout.

What is the role of your Grant Manager?

We are your point of contact for all matters related to the administration of your Grant/Cooperative Agreement. We work with the regional team in various grant administration areas with the goal of successful project delivery.

Reimbursement Requests **Terms and Conditions** **Grantee Personnel Changes** Adjustments **2 CFR 200** **Eligible Costs** **Federal Financial Reports** **Policy questions** **Closeout** *Monitoring* Amendments **Award Documents** **Quarterly Progress Reports**

Grant Managers are stewards of Federal funds charged with mitigating <u>risk</u>.

Integrated Risk Management – Post Award

Risk Identification, Management, and Mitigation

Amendment & Adjustment Tracking

- Qualitative risk assessment for every grant amendment to scope, schedule, or budget
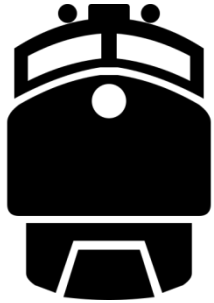
Monitoring

- Quantitative risk model
- Intensity of monitoring based on risk
- Multi-dimensional checklists by function
- Collaborative report reviews and T&TA tracking

Closeout

- Closeout risk assessment
- On demand training
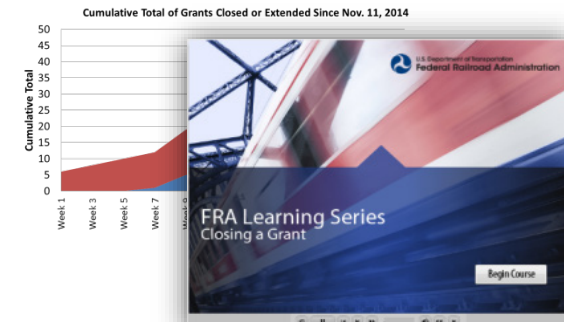
Integrated Risk Management – Post Award

Amendment & Adjustment Tracking

Monitoring

Closeout

Inspector General Recommendations Related to Amendments

> **The OIG recently completed a review of FRA's HSIPR oversight process.**

> **Two recommendations in the report related specifically to grant adjustments and amendments.**

❶ Amend Agency policy and procedures to establish a process for defining the Agency's **risk tolerance**, require **assessment of the risk** associated with grantees prior to executing amendments, and require conditions in amendments to **mitigate the risks** to within acceptable levels.

❷ Amend Agency policy and procedures to require **documentation of significant analyses and decisions** during the development of grant amendments.

Four Changes to the Grant Adjustment Process

Change		Description		Driver
1 Adjustment Types	➡	Re-categorized adjustment types	➡	Delineate "riskier" amendments
2 Risk Assessment	➡	5 question risk assessment for level 2 adjustments	➡	Direct IG recommendation
3 Documentation	➡	Required demonstration of the decision-making process	➡	Direct IG recommendation
4 Routing	➡	Revised adjustment approvals based on risk	➡	Process streamlining

Revised Adjustment Types

Grant adjustments include programmatic, administrative, or financial modifications to a grant agreement after the initial Notice of Grant Award (NGA) has been signed

Adjustment Type	Definition	Examples
Administrative	Minor changes to basic grant information that do not affect project delivery goals or grant scope	Changes point of contact, or authorized representative
No-Cost Extension	An extension to the grant period of performance that: does not substantively change scope, deliverables, project outcomes, or budget; is 12 months or less on aggregate; and is not exercised merely for the purpose of using unobligated balances	No-cost extension of 12 months or less (on aggregate)
Minor SOW Modification	Changes to the agreed-upon Statement of Work that do not change substantively project delivery goals or affect grant scope	Modified deliverable(s) or deliverable schedule Budget revisions not affecting total project cost
Significant NGA Modification	Modifications that may affect project scope, project delivery, expected project benefits, budget, or terms and conditions	Additional federal funds De-obligation of funds

Grant Amendments and Adjustments

The Grant Adjustment Request Form (GARF)

Grant Adjustment Request Form

Sections I, II, and III of this form should be completed by the grantee. The grant manager may make adjustments to the grantee's submission for further accuracy.

I. Basic Information

Date of Request:	State:
Agreement Number:	Project Title:
Grantee:	Grant Program Name:
Point of Contact (POC) name and title:	POC Telephone: ext.
	POC Email:

II. Adjustment Type and Justification

A. Select the category of grant adjustment request and applicable example within each adjustment type (select all that apply):

Level	Adjustment Category	Definition	Adjustment Type
1	☐ Administrative	Minor changes to basic grant information	☐ Change in point of contact, or authorized representative ☐ Change in grant name or federal identifier ☐ Change in address ☐ Other
1	☐ No-cost Extension	An extension to the grant period of performance that does not substantively change scope, deliverables, project outcomes and is 12 months or less on aggregate	☐ No-cost extension of 12 months or less (on aggregate)
1	☐ Minor SOW Modification	Changes to the agreed-upon Statement of Work that do not substantively change project delivery goals or affect grant scope	☐ Modification to deliverable(s) or deliverable schedule ☐ Budget revisions ☐ Changes to discrete elements of a project plan ☐ Change of payment method ☐ Other
2	☐ Significant NGA Modification	Modifications that may affect project scope, project delivery, expected project benefits, terms and conditions, etc.	☐ Additional federal funds ☐ De-obligation of funds ☐ Substantial scope changes (with or without new funds) ☐ No-cost extension of 12+ months (aggregate) ☐ Tapered match ☐ Removal or addition of special conditions ☐ Significant budget revisions ☐ Other

B. Please provide a detailed description and justification of the grant adjustment request:

III. Certification of Authorized Representative

I have reviewed this request and certify that the proposed changes will improve my organization's ability to successfully execute project activities according to the grant or cooperative agreement. Furthermore, I certify that, to the best of my knowledge, the request is allowable within the terms and conditions of the award.

_____
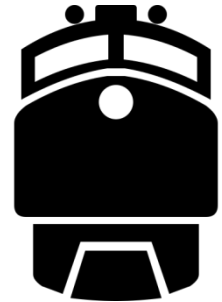Signature of the Authorized Official   Date:

Name:

Title:

Integrated Risk Management – Post Award

Amendment & Adjustment Tracking   **Monitoring**   Closeout

Monitoring

RPD follows comprehensive financial and programmatic monitoring procedures that focus on both routine compliance monitoring and scheduled monitoring reviews. The purposes of grant monitoring are to:

- Verify that grantees are in compliance with all Federal and RPD requirements;

- Identify and address instances of fraud, waste, and abuse;

- Verify that grantees are administering programs in a manner consistent with the stated implementation plan;

- Identify any problems or successes in program execution, and;

- Address issues through advice, technical assistance, or training.

Types of Monitoring

Routine Monitoring – Day-to-day activities to review compliance, programmatic, and financial aspects of the grant. This includes reviewing quarterly reports, routine project team conference calls, and reviewing reimbursement requests.

Planned Monitoring – Scheduled monitoring that is conducted using two methods:

- **Desk Review –** A comprehensive, periodic review of all current progress and financial reporting information. Desk reviews are typically performed on an annual basis and primarily evaluate compliance and programmatic review elements.

- **Site Visit –** An in-person visit to assess project progress and performance and provide targeted training and technical assistance. Site visit activities primarily include reviewing programmatic aspects of performance but also cover aspects of grantee compliance.
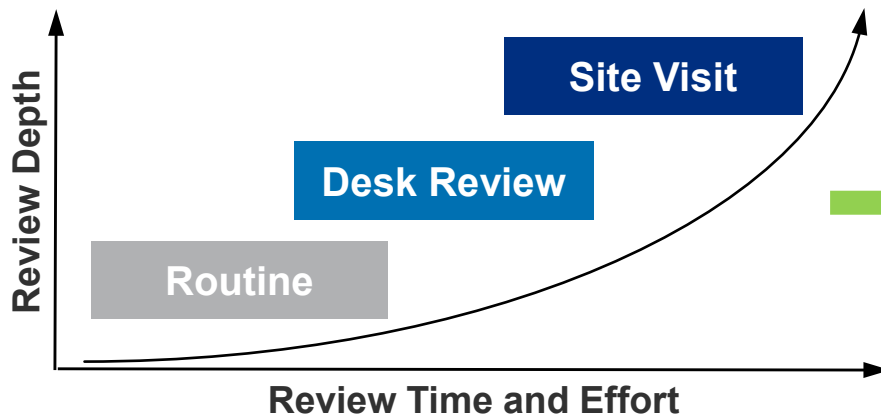
Project Oversight

- Desk reviews and site visits are part of the Annual Monitoring Review.

- They require an in-depth review and are more time and resource intensive based on risk.

Monitoring – The Grants Risk Model

The Grant Risk Model is a critical component to determining RPD's role into the delivery, through monitoring, of a project.

Risk Model Basics

- **FRA developed the Grants Risk Model in 2011 to identify which grants were eligible or necessary for monitoring throughout the Fiscal Year.**

- **The Grants Risk Model has progressively evolved and become more targeted since 2011 on specific risk criteria, and is also reflective of program progress.**

Process and Determination of Reviews

- **The Risk Model process includes:**

  1) determines the eligible monitoring population;

  2) scores grants against and determines the weighting of risk indicators;

  3) considers the portfolio balance;

  4) applies exception standards;

  5) reviews and approves the final selected monitoring population;

  6) schedules reviews for the 2015 monitoring season.

- **76 Grants were selected for monitoring in FY 15.**

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Monitoring – The Grants Risk Model

	Risk Indicator	Criteria Description	Weight	Score	Guidance	Source
1	Award Amount	This risk indicator scores each award between 0 and 1 based on their place in the distribution of all eligible awards.	20%	Between 0 (lowest) and 1 (highest)	Based on distribution of total adjusted award amounts in the monitoring population. Projects with an award amount over $500 million are scored as high risk (1), while the remaining grants are assigned a score (0–1) based on their distribution against the $500 million threshold.	PMT All Grants Export
2	Scope, Schedule, Budget	This risk indicator is taken from the statuses on scope, schedule and budget ("on track", "off track" and "concerns") that regional managers enter into the Implementation Scorecard. These three statuses are converted into numerical scores (0; 0.5; or 1) and then	15.0%	0 to 1 range	Average of scores: 0 – Project is completely on track; 1 – Project is off track in scope, schedule and budget	PMT Implementation Scorecard

Characteristic	Range	Recommended Weight	Actual Weight
Award Amount	2,552,307,856	20%	20.0%
Project Type	1	10%	10.0%
Scope, Schedule, Budget	1	15%	15.0%
A-133 Single Audit	1	10%	10.0%
Last Monitoring Review	1	5%	5.0%
SF-425 & QPR Reporting Compliar	1	10%	10.0%
Financial Management: Outlays	1	15%	15.0%
Remaining Award Balance	1	10%	10.0%
ARRA Grants	1	5%	5.0%
		100%	100.0%

TIGER Grants
$100M Award Amount & Outside Suggested Review

Priority Rank	State	Project Name	Priority Score	Percentile	Adjusted Award Amount	Program	PoP
1	CA	California High-Speed Train Program ARRA Grant	0.900	100.0%	$ 2,552,556,231	HSIPR	9/30/
2	WA	Pacific Northwest Rail Corridor Program	0.800	99.4%	$ 751,575,100	HSIPR	9/30/
3	MI	Dearborn to Kalamazoo: Service Development Program	0.779	98.9%	$ 196,503,208	HSIPR	9/30/
4	CA	Initial Central Valley Section: Madera County to Bakersfield (Kern Cou	0.775	98.4%	$ 928,620,000	HSIPR	12/31/
5	IL	IL - Midwest Next Generation Passenger Rail Equipment Purchase	0.732	97.9%	$ 268,201,084	HSIPR	9/30/
6	IL	Chicago-St. Louis Corridor Improvement Program	0.675	97.4%	$ 1,142,324,000	HSIPR	6/30/
7	IL	Chicago-to-Iowa City: Chicago-Quad Cities Expansion Program	0.671	96.9%	$ 177,280,000	HSIPR	12/31/
8	RI	Kingston Track Capacity & Platform Improvement Project	0.660	96.4%	$ 26,200,000	HSIPR	12/31/
9	VA	Arkendale to Powell's Creek Third Track	0.630	95.9%	$ 74,840,119	HSIPR	9/9/
10	NC	NCDOT Piedmont Third and Fourth Frequency Program	0.625	95.4%	$ 520,000,000	HSIPR	9/30/
11	NY	Harold Interlocking - Northeast Corridor Congestion Relief Project	0.618	94.9%	$ 294,781,579	HSIPR	7/31/
12	NJ	New York City to Trenton, NJ, High-Speed Rail Improvements	0.605	94.4%	$ 449,944,000	HSIPR	6/30/
13	CA	CA - Statewide Rolling Stock Acquisition (ARRA)	0.602	93.9%	$ 68,000,000	HSIPR	9/30/
14	CT	New Haven-Hartford-Springfield Rail Program Phase 2 (New Haven - H	0.598	93.4%	$ 120,900,000	HSIPR	6/30/
15	IL	Supplemental Corridor Improvements Program	0.575	92.9%	$ 186,380,000	HSIPR	12/31/
16	PA	State Interlocking Final Design / Construction	0.566	92.4%	$ 40,000,000	HSIPR	6/30/
17	NC	NCDOT Intercity Passenger Rail Congestion Mitigation	0.561	91.9%	$ 26,560,839	HSIPR	9/30/
18	MI	MI-Chicago Hub (Chicago-Detroit/Pontiac) High Speed Rail Corridor: Ka	0.554	91.4%	$ 9,383,036	TIGER 20	10/31/
19	OK	Erick to Sayre, Oklahoma Freight Railroad	0.551	90.9%	$ 1,831,000	TIGER 20	12/1/
20	IN	Final Phase of Waterloo Station Improvements	0.551	90.4%	$ 1,820,100	TIGER II	1/31/
21	CA	Seacliff Track Realignment and Siding Extension Preliminary Engineer	0.550	89.8%	$ 950,000	HSIPR	6/30/
22	CT	New Haven-Springfield Corridor Second Track (Milepost 20.6 to 31.1)	0.516	89.3%	$ 40,000,000	HSIPR	6/30/
23	CA	CA - Statewide Rolling Stock Acquisition (FY10)	0.515	88.8%	$ 100,000,000	HSIPR	9/30/
24	CT	Hartford-Windsor Capacity Improvement Project	0.512	88.3%	$ 30,000,000	HSIPR	6/30/
25	MI	Dearborn-Kalamazoo Corridor Acquisition and Improvements	0.510	87.8%	$ 150,000,000	HSIPR	9/30/

		are considered to be riskier.		High	1	reports for previous quarters	Exports
8	Last Monitoring Review	This risk indicator considers the last time the grant was monitored during a scheduled review, as well as any significant findings from those reviews. Grants with open or unresolved corrective action plans are considered the most risky.	5.0%	Low	0	Monitored in CY14, FY13 with no significant findings	PMT FY13 and CY14 Monitoring Export
				Medium	0.5	Monitored in CY14, FY13 with significant findings	
				High	1	No previous monitoring OR has open, unresolved corrective action plan	
9	ARRA Grants	ARRA grants are required to expend all award funds by September 30, 2017. These grants are considered inherently more risky as the project could be incomplete if funds are not expended before this date.	5.0%	Low	0	Grant award is from a non-ARRA funding source	PMT All Grants Export
				High	1	Grant award is from an ARRA funding source	

Benefits of Monitoring Activities

Routine monitoring enables FRA to identify project problems and support needs during program execution

Monitoring activities often uncover problem areas in the form of:

- **Areas of Interest** - issues that could lead to significant findings

- **Significant Finding** - issues noted through monitoring that jeopardize project completion

FRA provides follow-up support to the grantees to address the identified problems through:

- **Corrective Action Plans -** addresses one or more significant findings RPD has identified during the monitoring review and details the grantee's plan for resolving the issues

- **Training -** provide support and guidance on how to effectively and efficiently carry out their responsibilities.

As a result of the numerous monitoring efforts and follow-up activities, FRA has been able to increase compliance, apply course corrections to off-track projects, and maintain the financial integrity of grants funds.

Benefits of Monitoring Activities

Benefits of Monitoring Activities

Collection of Lessons Learned

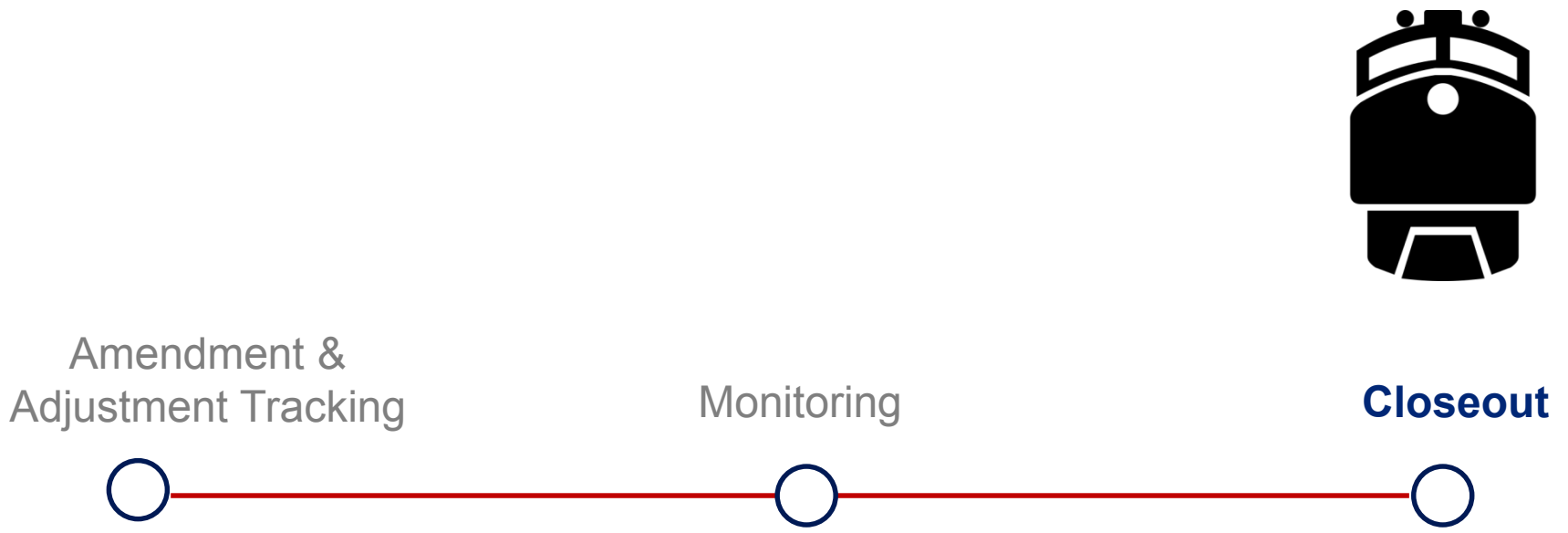*Opportunity to Share Best Practices*

Development of Guidance & Training

Integrated Risk Management – Post Award

Amendment &
Adjustment Tracking

Monitoring

Closeout

The Closeout Process

FRA has developed guidance to streamline the closeout process in a consistent and efficient process

- Grant managers will provide grantees with reminders when a grant's period of performance is within 90-days of ending.

- Grant managers will send instructions on what forms are needed and templates to guide grantees through writing the Final Performance Report.

- Grantees should notify grant managers 90-days prior to the end of the period of performance if they will need to extend their grant and submit a GARF.

- Grantees have 90-days after the end of the period of performance to liquidate existing obligations, seek reimbursement from FRA, file required reports and close the grant.

Submitting Final Closeout Documentation

Grantees are required to submit or validate the items below following project completion, but no later than 90 days after the PoP end date.

Standard Closeout Activities

- ❑ Validate project completion in accordance with the Statement of Work
- ❑ Verify outstanding deliverables are complete, approved, and submitted
- ❑ Resolve outstanding corrective actions (if applicable)
- ❑ Resolve outstanding audit findings (if applicable)
- ❑ Refund any balances owed to FRA (if applicable)

Standard Final Closeout Documentation

- ❑ Final Reimbursement Request (SF-270)
- ❑ Final Progress Report
- ❑ Accounting of all property acquired with Federal funds
- ❑ Final Performance Report
- ❑ Final Federal Financial Report (SF-425)

A grant closeout is not complete unless all required final documentation is submitted.

Closeout Final Performance Report

The Closeout Performance Report is CRITICAL to the closeout process. The new report will follow a "logic model" format.

Project Objective	Project Activities	Project Outputs	Outcome Measures
The "problem statement" expressed as the grantee's transportation challenge(s).	• What activities were undertaken to solve the stated problem? • Should align with high-level activities in the SOW.	▪ What did the project achieve? ▪ Discuss in terms of outputs such as miles of track, station constructed, plan submitted, etc.	▪ Expected long-term program impacts. ▪ May not be realized at the time of reporting. ▪ Discuss in terms of improved livability, environment, etc.

Additional Required Data:

- Lessons Learned
- Associated Investments

- Budget Narrative & Final Budget
- Grantee Feedback

- Photos

Closeout Final Performance Report

Federal Railroad Administration
Grant/Cooperative Agreement Final Performance Report

A. Award Information

1. Agreement Number:	2. Project Title:
3. Project Type:	4. Program Name:
5. Grantee:	6. Point of Contact (POC) Name and Title:
7. POC Email:	8. POC Phone:
9. Report Submission Date:	10. Grant Manager:

B. Final Performance Report

11. Project Objectives:

12. Project Activities:

13. Project Outputs:

14. Project Outcomes and Other Public Benefits:

Federal Railroad Administration
Grant/Cooperative Agreement Final Performance Report

14 (a). Performance Measures (if applicable):

15. Lessons Learned:

16. Maximizing Investments:

17. Budget Narrative & Final Budget:

18. Grantee Feedback:

Closeout Training

FRA has developed Grantee Closeout Training which can be found here:

https://www.fra.dot.gov/Page/P0809

Take Aways
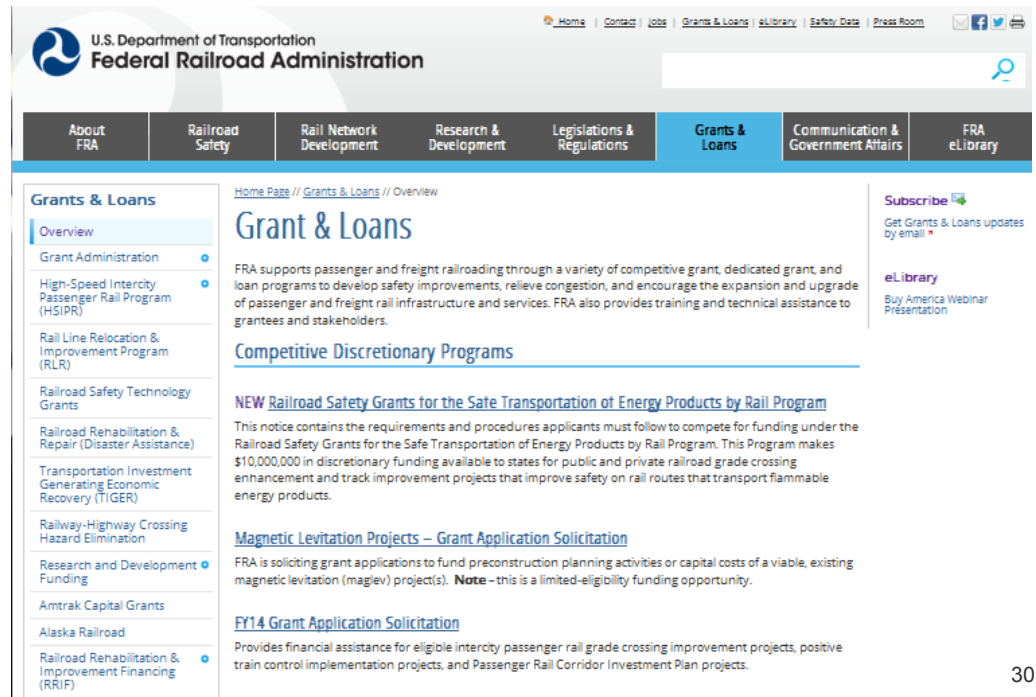
FRA's Grants Team is located within the Office of Program Delivery

> **MISSION:** Develop, implement, and administer policies, plans, and programs relating to Federal financial assistance for intercity passenger rail and freight rail service, and provide programs' program development of intercity passenger rail policy

We cannot achieve our goals unless our grantees achieve their goals.

Resources:

- Grant Managers

- Website

- Webinars

- Online forms and templates

Michael Longley

michael.longley@dot.gov

202-493-6377

Andrew Peternith

andrew.peternith@dot.gov

202-493-1320

Website:

https://www.fra.dot.gov/Page/P0021

U.S. Department of Transportation

Federal Railroad Administration