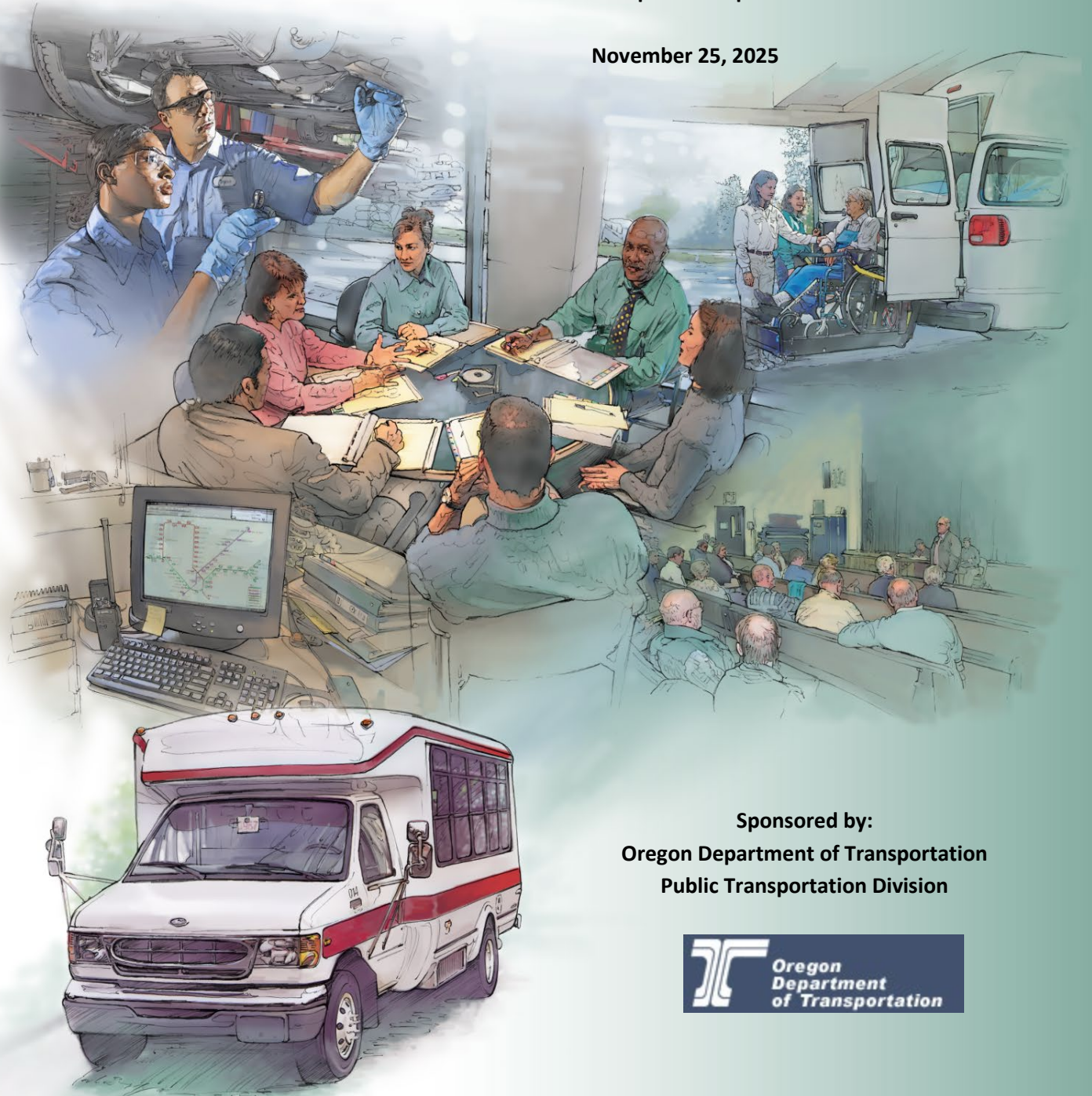




Compliance Review of Umpqua Public Transit District

Compliance Report

November 25, 2025



Sponsored by:
Oregon Department of Transportation
Public Transportation Division



(This page intentionally left blank)

Table of Contents

Oregon DOT Compliance Monitoring Program	1
Scope of the Review	1
Service Area	3
Description of the Transit Service	3
Funding.....	4
Umpqua Public Transit District Compliance Review.....	5
Program Management.....	5
Program Management Compliance Observations and Advisory Recommendations.....	5
Financial Management	8
Financial Management Compliance Observations and Advisory Recommendations	9
Operations Management.....	11
Operations Management Compliance Observations and Advisory Recommendations	12
Procurement.....	12
Procurement Compliance Observations and Advisory Recommendations.....	13
Use and Maintenance of Project Equipment and Facilities.....	15
Use and Maintenance Compliance Observations and Advisory Recommendations.....	16
Civil Rights	16
Civil Rights Compliance Observations and Advisory Recommendations.....	17
Americans with Disabilities Act.....	17
Americans with Disabilities Act Compliance Observations and Advisory Recommendations	17
Charter and School Bus.....	20
Charter and School Bus Compliance Observations and Advisory Recommendations.....	20
Statewide Transportation Improvement Fund.....	20
Statewide Transportation Improvement Fund Compliance Observations and Advisory Recommendations	21
Monitoring of Lower Tier Subrecipients	21
Monitoring of Lower Tier Subrecipients	22
Compliance Review Corrective Action Plan	23
Summary	23

Exhibit 1. Compliance Review Participants

No.	Name	Title	Organization	Phone	Email
(1)	Sheryl Bleau	Chief Financial Officer	UPTD	541-671-0788	sbleau@umpquatransit.org
(2)	Andre Bleau	Fixed Operations and Procurement	UPTD	458-802-4235	ableau@umpquatransit.org
(3)	Selena Hester	Demand Response Operations Manager	UPTD	541-671-7507	shester@umquatransit.org
(4)	Amira Kamel	Administrative Assistant	UPTD	541-671-9070	akamel@umquatransit.org
(5)	Crystal Hall	Data Analyst	UPTD	541-671-9070	chall@umpquatransit.org
(6)	Natasha Atkinson	Board Member	UPTD Board of Directors		natkinson@umquatransit.org
(7)	Jeana Beam	Board Chair	UPTD Board of Directors		jbeam@umpquatransit.org
(8)	Jennifer Boardman	RTC	ODOT	971-701-5049	Jennifer.boardman@odot.oregon.gov
(9)	Morgan Robinson	Associate	RLS & Associates	937-299-5007	mrobinson@rlsandassoc.com
(10)	Amy Edelman	Associate	RLS & Associates	614-307-1909	acrossin@rlsandassoc.com

Oregon DOT Compliance Monitoring Program

Scope of the Review

The Oregon Department of Transportation's (ODOT) Public Transportation Division (PTD) is responsible for the implementation and oversight of ODOT's federal and state transit grant programs. The Compliance Monitoring Program is designed to assist the PTD and public transportation providers with the assessment of how transit agencies in Oregon meet the varied compliance requirements imposed by the state, as stipulated in the latest version of the *State Management Plan for Public Transportation Programs*. This document summarizes federal requirements for PTD-administered grant programs.

Each Compliance Review assesses how an agency's management is complying with federal and state laws, rules, requirements, and regulations. The Program's overall goal is to improve an agency's compliance with applicable regulations while strengthening management's abilities in those areas.

Procedures for conducting this review follow the process described in the Compliance Field Guide for conducting Oregon Compliance Reviews, developed by RLS & Associates, Inc. (RLS). ODOT contracted with this firm to conduct these reviews. This report documents the results of a Compliance Review conducted of Umpqua Public Transit District, which operates Umpqua Public Transit District Transportation (UPTD).

The review was conducted in person from September 24 – 25, 2025, by Mr. Morgan Robinson and Mrs. Amy Edelman of RLS. Ms. Jennifer Boardman, ODOT Regional Transit Coordinator, also participated and observed the review. The time period being reviewed is from September, 2024 to September, 2025.

The District's receipt of grant funds applicable to this review includes federal Section 5310 funds, Section 5311 funds, Section 5339 funds, and STIF funds. It was determined through consultation with ODOT officials that the compliance review would address the following ten (10) topical areas:

1. Program Management
2. Financial Management
3. Operations Management
4. Procurement
5. Use and Maintenance of Project Equipment
6. Civil Rights
7. Americans with Disabilities Act
8. Charter and School Bus Provision
9. Statewide Transportation Improvement Fund
10. Monitoring of Subrecipients

An overview of the major compliance principles and elements is provided for each topical area. Reviewers used the Compliance Field Guide (Version 7.0) to determine the nature and extent of technical assistance required to assure compliance.

This report documents those policies, procedures, or practices requiring corrective action to bring the element(s) into compliance or for which a best practice recommendation could improve operating or administrative efficiency. Findings relative to the subrecipient are stated and remedial actions necessary to achieve compliance are outlined in each topical area along with a timetable to address the findings.

Observations and recommendations will be provided as a result of the review. These findings are typically categorized as follows:

Exhibit 2. Report Findings

Report Finding	Subrecipient Responsibility	Timeframe
Compliance Observation	Implement remedial action within a limited, prescribed timeframe.	30 -180 Days
Advisory Recommendation	Optional element to be considered by transit system management. Recommendations typically represent industry “best practices” and should be evaluated by management accordingly.	No specific timeframe

In addressing each report’s recommendations, the following information will be provided:

- ◆ **Condition.** A narrative description of the condition or conditions that do not align with federal or state requirements or a condition that creates:
 - A compliance deficiency;
 - An increase in risk to the agency; or
 - An inefficient use of agency resources.
- ◆ **Remedy.** The review will provide a detailed narrative of the remedial activity needed to address the condition noted above. Where applicable, sample forms, policies, or procedures will be provided to the subrecipient to assist the subrecipient in remediating the deficiency.
- ◆ **Timeframe.** In consultation with ODOT staff, the reviewer will determine a suitable timeframe to implement corrective action for all Compliance Observations.

If Umpqua Public Transit District requires additional time beyond what is noted in this report, the organization must consult with its ODOT Regional Transit Coordinator (RTC). A compliance review corrective action plan at the end of this report contains a summary table of all report recommendations.

Because of the test nature and other inherent limitations of the limited scope of work encompassed in this review, together with the limitations of any system of internal and management controls used to ensure compliance, this assessment will not necessarily disclose all findings of noncompliance. The

procedures employed are substantially less in scope than a compliance audit; they are designed to provide the transit system with technical assistance to facilitate compliance with the terms and conditions of federal financial assistance.

Service Area

The Umpqua Public Transit District is based in Roseburg, the county seat of Douglas County. Roseburg has a 2024 estimated population of 23,922 persons. Douglas County, located in southeast Oregon, has 111,201 residents (2020 U.S. Census), spread across a vast area of 5,134 square miles. This results in an average population density of 21.7 people per square mile. Douglas County stretches from the Pacific Ocean to the Cascade Mountain range. A portion of the Umpqua National Forest lies in Douglas County.

Description of the Transit Service

UPTD provides an array of transit services in its southwestern Oregon service area of Douglas County. UPTD operates a variety of fixed routes within the service area. ADA complementary paratransit is offered within $\frac{3}{4}$ of a mile of the UPTD fixed routes and operates under the name Umpqua Rides ParaTransit Service. Fixed routes are offered as follows.

- The Greenline provides service from Umpqua Community College southbound to downtown Roseburg, with 34 stops in between. It also offers transfers to the Winston and Sutherlin Commuter routes.
- The Redline is similar to the Greenline, but in reverse, traveling northbound from downtown Roseburg to Umpqua Community College. It also serves as a transfer to commuter routes traveling to Winston and Sutherlin.
- Due to funding deficits, UPTD reduced service beginning on September 15, 2025. The service reductions are designed to be temporary. The Yellowline, which serves the entire southern half of the county, has been eliminated. The Redline and Greenline have later start times and earlier end times than previously offered. Saturday service has been suspended until further notice.

These fixed route services are provided Monday through Friday with varying times for each line, from approximately 8:00 a.m. to 5:30 p.m., with a fleet of fully ADA-accessible vehicles. The one-way fare is \$1.50, with \$.75 fares for seniors and those with disabilities. Veterans ride free, as well as those certified as Paratransit riders.

UPTD offers two commuter lines. The Sutherin Commuter route runs from 6:35 a.m. to 6:05 p.m. The Winston Commuter route runs from 7:08 a.m. to 6:05 p.m. The commuter route fare is \$1.50 one way.

Sunshine Park is a limited fixed route, providing three trips a day from the east and west sides of Roseburg. It runs Monday through Friday between the Washington Avenue and Rose Street Connection Center and Sunshine Park, which is located on Sunshine Road, east of the UPTD facility off Highway 138.

Funding

Umpqua Public Transit District received 5311, 5310, 5339, and STIF funds during the review period. Other sources of local funding are severely limited, with no support from the county and no support from the cities being serviced. To generate funds to match its federal awards, UPTD uses STIF and Non-Emergency Medical Transportation revenues derived from the provision of service under contract (allowable under 49 U.S.C. 5311(g)(3)(c)). Otherwise, UPTS is highly dependent on its federal and state funds.

Overview of the Compliance Status of Umpqua Public Transit District

Based on the interviews conducted and materials examined as part of this review, eight (8) Compliance Observations and three (3) Advisory Recommendations were made as a result of this review. Importantly, six (6) of the eight (8) Compliance Observations were repeat findings from the previous compliance review *or the past two reviews*. Compliance Observations from the past two reviews had all been closed, signifying that new procedures, policies, or guidance were in place to prevent future compliance issues in these areas. However, UPTD did not follow new procedures or policies, leading to non-compliance in the same areas, and indicating that management did not fully implement the appropriate corrective actions. Continued failure to address compliance issues places this organization at risk for loss of federal grant funding.

Umpqua Public Transit District Compliance Review

Program Management

Program management encompasses several key areas, including the governing structure of the organization, documentation detailing the environment of control, and the subrecipient's managerial capacity to ensure adequate oversight and proper use of federal funds. All ODOT grant recipients must be legally constituted and have a governing board that must provide appropriate oversight of the financial affairs of the organization and approve all key policies of the agency. An agency's overall control environment sets the tone of the organization and influences the control consciousness of its employees. To successfully address risks and achieve its objectives, agency management must institute various control activities, such as segregation of duties, physical controls, and a system of approvals.

Program management encompasses the following areas in the review process:

- ◆ Organizational Governance
- ◆ Control Environment

Program Management Compliance Observations and Advisory Recommendations

Based on the interviews conducted and materials examined as part of this review, two deficiencies were found with the Federal and corresponding ODOT requirements in the area of Program Management. UPTD must address:

1. Compliance Observation

Governance

No: 2310

Code: PM1-1

Condition: The UPTD Board and management staff refused to provide specific program records to ODOT upon request, in violation of 2 CFR §200.337.

In December of 2024, the Compliance Manager was tasked with investigating any potential financial improprieties that had occurred in the past few years. In February of 2025, ODOT staff requested a copy of the full report and notes from the interviews conducted and received nothing. When ODOT staff requested the documents a second time in March of 2025, a Board member incorrectly stated that ODOT would have to use the public records request process to obtain the information. The UPTD Compliance Manager provided the report and interview notes to the General Manager/CEO, and despite being the District's Compliance

Manager (who is expected to know the applicable laws), advised the General Manager/CEO and the Board member they should not be released to ODOT, “as this does not concern ODOT.” A “report,” consisting of just over 200 words, was eventually released to ODOT, but to date, the interview and other notes have not been forwarded.

Pursuant to 2 CFR §200.337 and FTA Master Agreement 33, § 9(c) (the requirements of which are included in UPTD’s subrecipient agreement with ODOT), the FTA, Inspectors General, the Comptroller General of the United States, ODOT, or any of their authorized representatives (such as ODOT compliance review contractors) must have the right of access to any records of the subrecipient pertinent to the Federal award to perform audits, execute site visits, or for any other official use. This right also includes timely and reasonable access to the subrecipient's personnel for the purpose of interview and discussion related to such documents or the Federal award in general.

The UPTD Board in place in March of 2025 and management staff did not understand or comply with their obligation to provide any program records to ODOT upon request.

Remedy: UPTD must forward the complete results of its investigation into potential financial impropriety, including all interview notes or videos, and any other report that may have been drafted by UPTD staff on this issue. UPTD must timely comply with any and all future requests for program information from *any* member of ODOT or its authorized representatives. UPTD is required by law to do so with no public records request process necessary. Complying with program information access requirements will prevent a material breach of the subaward terms and avoid potential penalties for noncompliance, including the withholding or termination of payments.

Timeframe: 30 days

2. Compliance Observation

Control Environment

No: 2311

Code: PM2-1

Condition: The UPTD Board and Management are not well informed of, and Management and the prior Board did not abide by current regulations and requirements with which they are required to comply.

Pursuant to 2 CFR §200.303, the Subrecipient and its governing body must:

-
- (a) Establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.
 - (b) Comply with the U.S. Constitution, Federal statutes, regulations, and the terms and conditions of the Federal awards.
 - (c) Evaluate and monitor the recipient's or subrecipient's compliance with statutes, regulations, and the terms and conditions of Federal awards.
 - (d) Take prompt action when instances of noncompliance are identified.

Similar to the prior UPTD General Manager in place until 2024, the most recent General Manager/CEO's lack of knowledge has perpetuated an environment whereby the Board is not well-informed or aware of regulations and of requirements associated with the Section 5311 program. As required in the last comprehensive review, the UPTD Board attended some training to familiarize itself with rules for federal and state grants and the management of these grants. Additional training is required, as several new board members were elected in May of 2025, and because the prior Board¹ continued violating state and federal regulations in the administration of grants. Specifically, the prior Board approved contracts for management positions to individuals who did not demonstrate relevant experience, education, or knowledge of transit, grants, or regulations directly applicable to their job titles (General Manager/CEO and Compliance Manager/Chief Operating Officer).

The prior Board's lack of knowledge of its fiduciary responsibilities or indifference to state and federal grant regulations, combined with an apparent disregard for readily apparent conflicts of interest, has led to problematic issues. Two new staff members were hired by the Board and given contracts for their positions. Receiving a contract was unprecedented for UPTD employees, who have always been hired as at-will employees. These contracts also included another unprecedented benefit—a severance package.

The compliance review team inquired as to why individuals who had less experience in transit than any of UPTD's other management staff received such contracts. A UPTD management member provided the following information. After UPTD's lawyer drafted a contract for the General Manager/CEO's position, in April of 2025, the Board authorized contract negotiations with the General Manager/CEO. The contract signed had severance clauses the attorney-drafted contract did not include. The added provision stated the General Manager/CEO would receive a \$65,000

¹ Throughout this document, the "prior Board" is the UPTD Board in place before the May 2025 election.

severance payment upon termination of his contract (including upon his own resignation). The contract for Compliance Manager (now holding the position of Chief Operating Officer (COO)) later received a similar provision for a six-month salary and benefits severance package. The review team did not have access to interview the attorney or Board member with conflicts of interest to confirm this process. The fact these contracts and severance packages were offered to the least experienced employees at UPTD was improper.

In March of 2025, the Board also improperly authorized funding for the General Manager/CEO and Compliance Manager/COO to travel to Washington D.C. in July of 2025 for the purpose of lobbying members of Congress on transit issues. These costs are unallowable, and unwise for an agency carrying debt, cutting service and requiring furlough days. The two executive employees cancelled all scheduled meetings with Congressional members and instead lobbied other Congress members on an unrelated political issue while spending on high travel and meal costs. Further, full receipts were never received by UPTD to justify reimbursement.

Finally, the federal Hatch Act (5 USC § 1501-1508) and Oregon's parallel statute (ORS 260.432) bar participation in certain political activities by federally funded public employees.

This is a repeat finding.

Remedy: The Board must ensure board members and leadership gain the knowledge and technical capacity to effectively oversee the management of the Section 5311 and Section 5310 programs ensuring adherence to federal and state regulations. UPTD must schedule and attend trainings by an ODOT representative or expert in the field of federal transit compliance. The corrective action will be fulfilled when UPTD staff and board members meet with and train on federal and state requirements, particularly on grants management and procurement, as well as the extent of their oversight responsibilities and the limit to which they can intervene or be involved in any operations decisions.

Timeframe: 120 days

Financial Management

All subrecipients are required to establish and maintain an accounting system that follows generally accepted accounting principles (GAAP) and/or guidelines issued by the Government Accounting

Standards Board (GASB). All financial transactions must be recorded in a manner to be clearly identified, easily traced, and substantially documented. The fully allocated cost of the public transit program must be identified regardless of the agency's operational nature. All ODOT subrecipients are expected to use funds received as specified in the project application and grant agreement(s). Control systems must adhere to the applicable requirements outlined in the State Management Plan and other requirements as may be established by ODOT.

Financial management encompasses the following areas in the review process:

- ◆ Accounting Practices
- ◆ Indirect Costs
- ◆ Internal Controls
- ◆ Budget
- ◆ Documentation of Costs
- ◆ Cash Management
- ◆ Financial and Program Reporting
- ◆ Local Match
- ◆ In-Kind or Contributed Services
- ◆ Program Income
- ◆ Single Audit

Financial Management Compliance Observations and Advisory Recommendations

Based on the interviews conducted and materials examined as part of this review, one (1) deficiency was found with the ODOT requirements in the area of Financial Management. In addition, one Advisory Recommendation is offered to improve the program. UPTD must address:

3. Compliance Observation	Internal Controls
No: 2312	Code: FM4-2
<i>Condition:</i> The subrecipient does not exercise sufficient controls in authorizing purchases or other expenditures. As described above, UPTD and its Board have authorized severance packages for two employees, and do not have the funds to pay these expenses. Moreover, consistent with 2 CFR § 200.431(i)(3), costs incurred in severance pay packages that are in excess of the standard severance pay provided by the recipient or subrecipient are unallowable. As UPTD does not have a standard severance pay policy, these expenses are unallowable costs under the federal awards.	

Further, the Board authorized a trip to Washington, D.C. for lobbying purposes—a function specifically prohibited with federal funds and pursuant to Oregon State law. The General Manager/CEO improperly charged over \$600 on personal Lyft rides in Portland to his UPTD credit card.

There is evidence, including social media posts, geographical location during work hours, payroll data, and information gathered in the interviews held during this review, that the General Manager/CEO spent working hours for UPTD on other personal or political activities.

Collectively, these issues represent potential false claims and/or fraud that warrant referral to appropriate local enforcement authorities for investigation and potential restitution. Reporting of potential fraud, waste, or abuse of federal funds is required under the False Claims Act (31 U.S.C. § 3729).

Finally, the General Manager/CEO chose a person he described in writing as a friend to become the Compliance Manager and informed the UPTD staff in writing that the incoming Compliance Manager had been the Director of Construction at ODOT for 30 years and had managed an annual budget of \$300,000,000. This statement was false. The only work experience on the Compliance Manager’s job application with UPTD shows less than three months working as the president of a non-profit. This employee was quickly promoted to Chief Operating Officer of UPTD. The hiring of executive level personnel without relevant position experience demonstrates a lack of sufficient controls in authorizing expenditures.

- Remedy:*
1. No unallowable costs, such as the severance packages and Washington D.C. trip described above, may be submitted to ODOT for reimbursement. Any unallowable costs (that must be paid) should be charged against local funding sources. UPTD must submit to ODOT evidence of how the above expenditures, and any other unallowable purchases, were funded. If UPTD has already requested reimbursement for any unallowable expenses, these reimbursement requests must be revised; all unallowable expenses removed; and funds repaid to ODOT or clearly deducted from a future reimbursement request.
 2. UPTD must carefully review documentation and evidence at its disposal and make a determination as to whether the General Manager/CEO spent non-negligible work hours engaged in political or other non-work related activities. Salary and benefits for the General Manager/CEO since April of 2025 were paid with federal funds. If the agency determines that the General Manager/CEO or other contract staff were not working in the interests of UPTD full-time during the period they were paid with federal funds, an accounting of this time must be

made. UPTD may not charge any such time to the federal or state awards, as these costs are unallowable. If improper payments have been reimbursed, UPTD must account for and return these funds to ODOT. If a determination that the General Manager/CEO was not working full-time on behalf of UPTD at any time since April of 2025 is made, the provisions of the False Claims Act are implicated and if applicable must be reported to FTA and/or the federal DOT's Office of the Inspector General.

After UPTD completes its review and analysis of the General Manager/CEO's employment activities since April of 2025, a report detailing the results, along with all relevant evidence, must be forwarded to ODOT for review.

Timeframe: 120 days

4. Advisory Recommendation

Audit

No: 2313

Code: N/A

Condition: As of last year's compliance report, UPTD was significantly behind on the timely submission of its single audits. The agency has now caught up, and audits up to and including the FY2024 Single Audit have been prepared. However, the FY2024 Audit reflects the conditions as of the year ended June 30, 2024. This audit cited multiple repeat findings; it is unclear from audit reporting if some of these systemic issues have been resolved.

Remedy: UPTD should review the results of the upcoming FY2025 audit as soon as they are available. Any repeated findings should be addressed immediately by senior financial staff, leadership, and the Board. ODOT will review the FY2025 audit when it is available and will follow up on any deficiencies.

Timeframe: No specific timeframe

Operations Management

All subrecipients are required to demonstrate the managerial and technical capacity to meet all federal and state requirements, affect the scope of services described in grant applications and agreements, and optimize federal and state funding in a manner consistent with safeguarding the public trust.

Subrecipients meet this requirement by ensuring appropriate staff levels, providing adequate training, and developing policies and procedures that maximize operational efficiency and effectiveness. In addition to the primary topics discussed below, reviewers also evaluated policies and procedures, including customer service, operations planning, marketing, and complaint management.

Operations management encompasses the following areas in the review process:

- ◆ Organization and Staffing
- ◆ Operations
- ◆ Scheduling
- ◆ Dispatching
- ◆ Safety and Security

Operations Management Compliance Observations and Advisory Recommendations

Based on the interviews conducted and materials examined as part of this review, no deficiencies were found with the ODOT requirements in the area of Operations Management.

Procurement

PTD and subrecipients receiving funding under ODOT programs must comply with all federal, state, and local laws, ordinances, regulations, and policies regarding procurement and contracting. FTA Circular 4220.1F documents applicable federal procurement requirements. Subrecipients that are public entities will follow those requirements that apply to state and local governments.

All non-federal entities, including subrecipients of the state, must follow 2 CFR part 200.318, “General procurement standards,” through 2 CFR part 200.326, “Contract provisions.” Subrecipients that are private for-profit organizations must comply with FTA procurement requirements contained in FTA Circular 4220.1F for procurements conducted with federal funds.

Procurement encompasses the following areas in the review process:

- ◆ Standards of Conduct
- ◆ Third-Party Contracting Capacity
- ◆ Purchasing Methods
- ◆ Other Than Full and Open Competition
- ◆ Cost and Price Analysis
- ◆ Protests and Disputes
- ◆ Pre-Award and Post-Delivery Audits

◆ New Model Bus Testing

Procurement Compliance Observations and Advisory Recommendations

Based on the interviews conducted and materials examined as part of this review, two (2) deficiencies were found with the ODOT requirements in the area of Procurement. UPTD must address:

5. Compliance Observation

Third-Party Contracting Capacity

No: 2314

Code: P2-5

Condition: The subrecipient does not test for contractor responsibility prior to contract award.

49 U.S.C. § 5325 (j) requires recipients to make FTA-assisted contract awards only to “responsible” contractors possessing the ability to successfully perform under the terms and conditions of a proposed procurement. Before making an award to a contractor, a recipient must consider the integrity of the contractor, the contractor’s compliance with public policy, the contractor’s past performance, and the contractor’s financial and technical resources.

For each third-party contract expected to equal or exceed \$25,000, subrecipients must also verify that the bidder is not excluded or disqualified by:

- Checking System for Award Management (SAM) Exclusions (at SAM.gov); or
- Collecting a certification; or
- Adding a clause or condition to the covered transaction.

In UPTD’s last compliance report (October, 2024), the remedy for this Compliance Observation specifically stated, “At no time in the future may UPTD contract with any individual or organization until a responsibility determination that complies with all parts of 49 U.S.C. § 5325 (j), including proof the applicant possesses the experience and knowledge necessary for the job has been completed. UPTD is hereby put on notice that no state or federal funds will be reimbursed for any payments to contractors that do not meet these requirements. Proof of UPTD’s responsibility determination for each new contract awarded shall be forwarded to ODOT with any reimbursement request until further notice, so that ODOT can verify they are not providing state or federal funds for unallowable expenses.”

After this report was issued, the General Manager/CEO (who recently resigned) received a contract for temporary professional services with UPTD. At that time, the contractor hired had experience, knowledge, or background in transit or the

administration of grants. No responsibility determination for this contract was forwarded to ODOT as required.

The General Manager/CEO's past work experience includes running a coffee shop and being a political consultant.

This is a repeat finding.

Remedy: The previous corrective action remains valid.

At no time in the future may UPTD contract with any individual or organization until a responsibility determination that complies with all parts of 49 U.S.C. § 5325 (j), including proof that the applicant possesses the experience and knowledge necessary for the job, is complete. UPTD is hereby put on notice that state or federal funds may not be reimbursed for any payments to contractors that do not meet these requirements.

A full responsibility determination is more than checking Sam.gov for debarred contractors. UPTD must consider the integrity of the contractor, the contractor's compliance with public policy, the contractor's past performance and experience, and the contractor's financial and technical resources.

Though not an exhaustive list, the following are examples of when UPTD must make a full responsibility determination and forward it to ODOT for review before finalizing any contract of \$25,000 or more:

- *The hiring of a contractor, even for an internal position at UPTD, where the position is contracted for a specific amount of time (such as an interim or contracted employee—not a regular, at-will employee);*
- *Any service contract to a company (landscaping, accounting, janitorial services, etc.) where the total value of the contract over the period of performance will total \$25,000 or more; OR*
- *Any purchase of a product or products where the total cost of the goods throughout the period of performance will total \$25,000 or more.*

For the six months following the issuance of this report, UPTD must forward a full responsibility determination to ODOT for review before awarding any contract of \$25,000 or more.

Timeframe: 180 days

No: 2315Code: P3-5

Condition: The subrecipient's Procurement Policy sufficiently outlines the requirements of sole-source and noncompetitive procurements; however, the staff and Board were unfamiliar with, or potentially as this is a repeat finding, were willfully ignorant of these requirements. Noncompetitive procurements can only be awarded under the conditions detailed in 2 CFR § 200.320(c).

The initial short-term contract for the General Manager was obtained as a sole source procurement without justification. When the prior General Manager resigned, ODOT offered assistance in the form of lending a General Manager from another transit agency until an experienced interim General Manager could be found. Instead of accepting the assistance or posting the position, the Board chose to hire someone with no transit or grant management experience, but who happened to be a friend of several Board members.

Additionally, it was found that no sole justification was included in the procurement file. Finally, for any procurement where competition is not present, ODOT requires the subrecipient to conduct a cost analysis; no such analysis was conducted.

This is a repeat finding.

Remedy: The subrecipient must submit documentation that all staff involved in procurements, as well as the full UPTD Board, have received external training on procurement sufficient to cover the basic FTA and ODOT requirements of non-competitive procurements.

Timeframe: 90 days

Use and Maintenance of Project Equipment and Facilities

Capital equipment is defined as a tangible item with an aggregate purchase price of \$10,000 or more and with a useful life of at least one year. For all equipment, subrecipients are responsible for maintaining appropriate equipment records by: including a method of assigning a property tag number to each item; performing a periodic inventory (at least every two years); safeguarding equipment from

misuse and abuse; maintaining equipment in a state of good repair; and following appropriate disposal procedures when equipment is no longer needed or has exceeded its useful life.

The subrecipient and/or designated operator shall have the requisite fiscal and technical capacity to carry out the project and be responsible for maintaining required insurance coverage and property records, conducting physical inventories, implementing adequate property control systems, and maintaining the equipment in proper working condition. Documentation that supports compliance with these elements must be available upon request.

Equipment and facilities must be kept in good operating order. Meal delivery or other incidental services provided by the grantee cannot conflict with the provision of public transit service or result in a reduction of service to transit passengers.

Use and maintenance of project equipment encompasses the following areas in the review process:

- ◆ Real Property
- ◆ Equipment – General
- ◆ Maintenance of Equipment and Facilities
- ◆ Equipment – Insurance
- ◆ Equipment – Incidental Use

Use and Maintenance Compliance Observations and Advisory Recommendations

Based on the interviews conducted and materials examined as part of this review, no deficiencies were found with the ODOT requirements in the area of the Use and Maintenance of Project Equipment and Facilities.

Civil Rights

Federal civil rights requirements are encompassed in laws, regulations, and executive orders. The objective of FTA's oversight in this area is to:

- ◆ Ensure that the level and quality of transportation service are provided without regard to race, color, or national origin;
- ◆ Identify and address, as appropriate, disproportionately high and adverse human health and environmental effects, including social and economic effects of programs and activities on minority populations and low-income populations;
- ◆ Promote the full and fair participation of all affected populations in transportation decision-making;
- ◆ Prevent the denial, reduction, or delay in benefits related to programs and activities that benefit minority populations or low-income populations; and

- ◆ Ensure meaningful access to programs and activities by persons with limited English proficiency.

Civil Rights encompasses the following areas in the review process:

- ◆ Title VI Requirements
- ◆ Limited English Proficiency (LEP)/Language Assistance Programs
- ◆ Equal Employment Opportunity
- ◆ Disadvantaged Business Enterprises (DBE)

Civil Rights Compliance Observations and Advisory Recommendations

Based on the interviews conducted and materials examined as part of this review, no deficiencies were found with the ODOT requirements in the area of Civil Rights.

Americans with Disabilities Act

Under U.S. Department of Transportation (USDOT) Americans with Disabilities Act of 1990 (ADA) regulations, public and private transportation providers are required to operate services in a way that does not discriminate against persons with disabilities. The regulations include general nondiscrimination provisions that apply to all types of agencies and services. Some provisions apply only to certain types of agencies and services. For example, public fixed route operators are required to make onboard stop announcements to keep riders oriented to their location.

The City serves as a pass-through entity that does not operate transportation service, and as such, the Americans with Disabilities Act (ADA) topics examined during this review were limited to the below referenced:

- ◆ Entity/Service Classification
- ◆ Nondiscrimination
- ◆ Fixed Route Systems
- ◆ Demand Response Systems
- ◆ General Requirements

Americans with Disabilities Act Compliance Observations and Advisory Recommendations

Based on the interviews conducted and materials examined as part of this review, three (3) deficiencies were found with ODOT requirements in the area of the Americans with Disabilities Act. UPTD must address:

7. Compliance Observation

Complementary Paratransit Services

No: 2316

Code: ADA2-4

Condition: Although the agency states suspensions are rarely imposed, UPTD's No-Show Suspension Policy does not give specific information on the exact percentage or number of missed trips that may trigger a suspension. FTA policies require UPTD to take into account the total trips taken, accounting for the frequency of usage of the system by the passenger. Additionally, the policy does not state how long suspensions would be imposed for violations. Although the policy is generally well-written and requires the passenger to establish a pattern or practice of missed trips before suspending the rider, one cannot assure equitable application of suspensions if there are no specific standards.

This is a repeat finding from both the FY2021 and FY2024 ODOT Compliance Review.

Remedy: UPTD may choose to eliminate its no-show suspension policy, or revise it to be consistent with the guidance in 49 CFR 37.125(h) and 49 CFR 37, Appendix D. Revisions must include concrete metrics for determining what constitutes a pattern or practice of missed trips. The consequences of the first and subsequent violations of the no-show policy must be designated, with no suspension lasting longer than 30 days.

Timeframe: The corrective action was made on September 29, 2025. The finding is closed as of the issuance of this report.

8. Compliance Observation

Nondiscrimination

No: 2317

Code: ADA2-6

Condition: The ADA complaint process is not advertised on UPTD's website. In accordance with 49 CFR § 37.17, all public and private entities subject to ADA regulations must adopt procedures that provide for the prompt and equitable resolution of ADA complaints. The procedures must describe the process for filing a complaint, including the contact information for the employee responsible for investigating ADA complaints. The ADA complaint procedures must be sufficiently advertised to the public, preferably on UPTD's website. UPTD must communicate and document the outcome of its complaint investigation to the complainant.

This is a repeat finding.

Remedy: UPTD must designate a responsible employee to address ADA concerns (generally called an ADA Coordinator, see 49 CFR §37.17(h)); establish procedures that

incorporate appropriate due process standards; provide for the prompt and equitable resolution of complaints alleging any action prohibited by the ADA; and effectively communicate (via the agency's website) how the public may file complaints, with the corresponding procedures.

Timeframe: 60 days

9. Compliance Observation

Complementary Paratransit Services

No: 2318

Code: ADA6-2

Condition: While complementary paratransit denials are now being tracked, trips in which riders accept a negotiated time outside the one-hour window are *not* currently counted as denials. These must be tracked, but can be categorized as "Denied, But Provided," indicating that the UPTD could not meet the plus/minus one-hour trip negotiation window but did provide the trip (and therefore can count these trips in NTD ridership reports).

This is a repeat finding from both the FY2021 and FY2024 ODOT Compliance Review. Monitoring of paratransit service has improved overall since the last review.

Remedy: The subrecipient must develop and submit to ODOT its procedures for tracking all complementary paratransit service denials, including when an individual accepts a trip time outside of the requested one-hour window. To demonstrate compliance with this observation, UPTD must provide ODOT with copies of its next three months of service reports, which should include any denials that can be categorized as "Denied, But Provided."

Timeframe: 120 days

In addition, one (1) Advisory Recommendation is offered to help UPTD improve the program.

10. Advisory Recommendation

Nondiscrimination

No: 2319

Code: N/A

Condition: UPTD offers reasonable modifications of its program procedures and rules for those with disabilities who need them. However, this information could be more broadly advertised to ensure those who may need a modification can locate the procedures.

Remedy: UPTD should consider adding information on the availability of reasonable modifications of system policies and practices on the FAQ portion of the Paratransit page of the agency website.

Timeframe: UPTD proactively made this change on September 30, 2025. No further action is needed.

Charter and School Bus

ODOT subrecipients are prohibited from using federally funded equipment or facilities to provide charter service. Under new regulations, effective April 30, 2008, certain activities are exempt from coverage and other charter services may be provided under limited circumstances if they meet certain exceptions spelled out in the regulation. Generally, service provided under contract to a human services agency is considered a “program purpose” and is exempt from charter regulatory coverage.

ODOT subrecipients are not permitted to use federally funded equipment to provide exclusive school bus transportation for school students and school personnel. The implementing regulation does permit regular service to be modified to accommodate school students along with the general public. Under FTA’s school bus regulation, Head Start is considered a social service, not a school program.

The charter and school bus regulations encompass the following areas in the review process:

- ◆ Charter Service
- ◆ School Bus Service

Charter and School Bus Compliance Observations and Advisory Recommendations

Based on the interviews conducted and materials examined as part of this review, no deficiencies were found with ODOT requirements in the area of Charter and School Bus services.

Statewide Transportation Improvement Fund

The Statewide Transportation Improvement Fund (STIF) provides financial support to eligible Public Transportation Service Providers, defined as “Qualified Entities.” STIF monies may be used for public

transportation purposes that support the effective planning, deployment, operation, and administration of STIF-funded public transportation programs, including, but not limited to:

- ◆ Creation of new systems and services with origins, destinations or stops in Oregon;
- ◆ Maintenance or continuation of systems and services; and
- ◆ Planning and development of a local plan or future STIF Plan to improve Public Transportation Service.

The majority of the STIF money (90%) is allocated based on a formula; the formula is structured to ensure that no Qualified Entity receives less than \$100,000 per year. The remaining funds are distributed by the Public Transportation Discretionary Grant Program. There are many requirements associated with receiving STIF funds.

Statewide Transportation Improvement Fund Compliance Observations and Advisory Recommendations

Based on the interviews conducted and materials examined as part of this review, no deficiencies were found with the ODOT requirements in the area of STIF.

Monitoring of Lower Tier Subrecipients

Federal rules require that pass-through entities monitor a lower-tier subrecipient's compliance with federal grant administrative requirements stipulated in 2 CFR § 200.300 through § 200.513. These requirements span:

- Administrative requirements
- Compliance and programmatic requirements
- Cost allowability controls
- Indirect costs

For the STIF program, OAR 732-040-0015 requires:

- Recipients conduct an annual financial audit of STIF monies received;
- ODOT conducts a periodic compliance review, ensuring that Recipients have:
 - Appropriate and adequate internal controls
 - Adequate management procedures governing the disbursement of STIF funds;
 - Procedures in place to ensure compliance with:
 - Program management requirements
 - Financial management requirements
 - Operations management procedures for the safe and efficient operation of public transit services

- Adequate procurement policies to ensure compliance with federal and state laws
- Procedures to ensure proper maintenance of state-funded equipment
- Policies that ensure records are retained for the period specified in OAR 732-040-0020(4)(a)-(b)
- Federal civil rights laws
- Americans with Disabilities Act (ADA) requirements

Further, state regulations stipulate that recipients must permit access by ODOT, the Secretary of State, or their authorized representatives, upon reasonable notice, to all data and records relative to the use of STIF funds. This requirement must include these provisions in all contracts with subrecipients and vendors.

OAR 732-042-0015 requires that the STIF Plan contain provisions that include a description of the Qualified Entity's methods and the contract language that the Qualified Entity will use to oversee its Sub-Recipients, address deficiencies in subrecipient performance, and ensure that the Qualified Entity can accomplish the applicable requirements of these rules, including but not limited to audit and compliance requirements, accounting requirements, capital asset requirements, and reporting requirements.

In the case of Qualified Entities, ODOT will conduct oversight reviews only of the QE; as a matter of ODOT policy, QEs are responsible for the conduct of subrecipients. To support this activity, ODOT has issued a guidebook, entitled "QE - Subrecipient Oversight Compliance Guide" (May 2019).

Monitoring of Lower Tier Subrecipients

Based on the interviews conducted and materials examined as part of this review, no deficiencies were found with ODOT requirements concerning the Monitoring of Lower Tier Subrecipients. However, one Advisory Recommendation is offered to help UPTD improve the program.

11. Advisory Recommendation		Lower-Tier Subrecipients
No: 2320		Code: N/A
<i>Condition:</i>	UPTD has dramatically improved its oversight of subrecipients. However, not all of the techniques they are using are necessarily written as formal or required procedures.	
<i>Remedy:</i>	UPTD should consider compiling all subrecipient monitoring activities into one written procedure to ensure the recent improvements continue into the future.	
<i>Timeframe:</i>	No specific timeframe.	

Compliance Review Corrective Action Plan

Summary

Eight (8) Compliance Observations and three (3) Advisory Recommendations were made as a result of this review.

Exhibit 3 provides a summary of the observation detailed in this compliance review. A time frame for subrecipient remedial action is recommended. Both ODOT and Umpqua Public Transit District may comment on this recommendation; this timeframe can then be adjusted based on the mutual agreements between the subrecipient and ODOT.

(This page intentionally left blank)

Exhibit 3. Summary of Compliance Observations and Advisory Recommendations

Subrecipient	Date of Report	ODOT Region	RTC
Umpqua Public Transit District	November 25, 2025	3	Jennifer Boardman

Topic: Program Management		Subtopic: Governance	Compliance Observation
No.: 2310			CODE: PM1-1
Item No.	Condition	Remedy	Timeframe

1	The UPTD Board and management staff refused to provide specific program records to ODOT upon request, in violation of 2 CFR §200.337. In December of 2024, the Compliance Manager was tasked with investigating any potential financial improprieties that had occurred in the past few years. In February of 2025, ODOT staff requested a copy of the full report and notes from the interviews conducted and received nothing. When ODOT staff requested the documents a second time in March of 2025, a Board member incorrectly stated that ODOT would have to use the public records request process to obtain the information. The UPTD Compliance Manager provided the report and interview notes to the General Manager/CEO, and despite being the District's Compliance Manager (who is expected to know the applicable laws), advised the General Manager/CEO and the Board member they should not be released to ODOT, "as this does not concern ODOT." A "report," consisting of just over 200 words, was eventually released to ODOT, but to date, the interview and other notes have not been forwarded.	UPTD must forward the complete results of its investigation into potential financial impropriety, including all interview notes or videos, and any other report that may have been drafted by UPTD staff on this issue. UPTD must timely comply with any and all future requests for program information from <i>any</i> member of ODOT or its authorized representatives. UPTD is required by law to do so with no public records request process necessary. Complying with program information access requirements will prevent a material breach of the subaward terms and avoid potential penalties for noncompliance, including the withholding or termination of payments.	30 days
---	--	---	---------

	Pursuant to 2 CFR §200.337 and FTA Master Agreement 33, § 9(c) (the requirements of which are included in UPTD's subrecipient agreement with ODOT), the FTA, Inspectors General, the Comptroller General of the United States, ODOT, or any of their authorized representatives (such as ODOT compliance review contractors) must have the right of access to any records of the subrecipient pertinent to the Federal award to perform audits, execute site visits, or for any other official use. This right also includes timely and reasonable access to the subrecipient's personnel for the purpose of interview and discussion related to such documents or the Federal award in general. The UPTD Board in place in March of 2025 and management staff did not understand or comply with their obligation to provide any program records to ODOT upon request.		
No.: 2311		Code: PM2-1	
Item No.	Condition	Remedy	Timeframe
2	The UPTD Board and Management are not well informed of, and Management and the prior Board did not abide by current regulations and requirements with which they are required to comply. Pursuant to 2 CFR §200.303, the Subrecipient and its governing body must: (e) Establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award....	The Board must ensure board members and leadership gain the knowledge and technical capacity to effectively oversee the management of the Section 5311 and Section 5310 programs ensuring adherence to federal and state regulations. UPTD must schedule and attend trainings by an ODOT representative or expert in the field of federal transit compliance. The corrective action will be fulfilled when UPTD staff and board members meet with and train on federal and state requirements, particularly on grants management and procurement, as well as the extent of their oversight responsibilities and the limit to which they can intervene or be involved in any operations decisions.	120 days

	(f) Comply with the U.S. Constitution, Federal statutes, regulations, and the terms and conditions of the Federal awards. (g) Evaluate and monitor the recipient's or subrecipient's compliance with statutes, regulations, and the terms and conditions of Federal awards. (h) Take prompt action when instances of noncompliance are identified. Similar to the prior UPTD General Manager in place until 2024, the most recent General Manager/CEO's lack of knowledge has perpetuated an environment whereby the Board is not well-informed or aware of regulations and of requirements associated with the Section 5311 program. As required in the last comprehensive review, the UPTD Board attended some training to familiarize itself with rules for federal and state grants and the management of these grants. Additional training is required, as several new board members were elected in May of 2025, and because the prior Board continued violating state and federal regulations in the administration of grants. Specifically, the prior Board approved contracts for management positions to individuals who did not demonstrate relevant experience, education, or knowledge of transit, grants, or regulations directly applicable to their job titles (General Manager/CEO and Compliance Manager/Chief Operating Officer). The prior Board's lack of knowledge of its fiduciary responsibilities or indifference to state and federal grant regulations, combined with an apparent disregard for readily apparent conflicts of interest, has led to problematic issues. Two new staff members were hired by the Board and given contracts for their positions. Receiving a contract was unprecedented for UPTD employees, who have always		
--	--	--	--

	been hired as at-will employees. These contracts also included another unprecedented benefit—a severance package. The compliance review team inquired as to why individuals who had less experience in transit than any of UPTD’s other management staff received such contracts. A UPTD management member provided the following information. After UPTD’s lawyer drafted a contract for the General Manager/CEO’s position, in April of 2025, the Board authorized contract negotiations with the General Manager/CEO. The contract signed had severance clauses the attorney-drafted contract did not include. The added provision stated the General Manager/CEO would receive a \$65,000 severance payment upon termination of his contract (including upon his own resignation). The contract for Compliance Manager (now holding the position of Chief Operating Officer (COO)) later received a similar provision for a six-month salary and benefits severance package. The review team did not have access to interview the attorney or Board member with conflicts of interest to confirm this process. The fact these contracts and severance packages were offered to the least experienced employees at UPTD was improper. In March of 2025, the Board also improperly authorized funding for the General Manager/CEO and Compliance Manager/COO to travel to Washington D.C. in July of 2025 for the purpose of lobbying members of Congress on transit issues. These costs are unallowable, and unwise for an agency carrying debt, cutting service and requiring furlough days. . The two executive employees cancelled all scheduled meetings with Congressional members, and instead lobbied other Congress members on an unrelated political issue while spending on high travel and meal costs. Further, full receipts were never received by UPTD to justify reimbursement.		
--	--	--	--

	Finally, the federal Hatch Act (5 USC § 1501-1508) and Oregon's parallel statute (ORS 260.432) bar participation in certain political activities by federally-funded public employees.		
	This is a repeat finding.		
Topic: Financial Management		Subtopic: Internal Controls	Compliance Observation
No.: 2312		Code: FM4-2	
Item No.	Condition	Remedy	Timeframe
3	The subrecipient does not exercise sufficient controls in authorizing purchases or other expenditures. As described above, UPTD and its Board have authorized severance packages for two employees, and do not have the funds to pay these expenses. Moreover, consistent with 2 CFR § 200.431(i)(3), costs incurred in severance pay packages that are in excess of the standard severance pay provided by the recipient or subrecipient are unallowable. As UPTD does not have a standard severance pay policy, these expenses are unallowable costs under the federal awards. Further, the Board authorized a trip to Washington, D.C. for lobbying purposes—a function specifically prohibited with federal funds and pursuant to Oregon State law. The General Manager/CEO improperly charged over \$600 on personal Lyft rides in Portland to his UPTD credit card. There is evidence, including social media posts, geographical location during work hours, payroll data, and information gathered in the interviews held during this review, that the General	1. No unallowable costs, such as the severance packages and Washington D.C. trip described above, may be submitted to ODOT for reimbursement. Any unallowable costs (that must be paid) should be charged against local funding sources. UPTD must submit to ODOT evidence of how the above expenditures, and any other unallowable purchases, were funded. If UPTD has already requested reimbursement for any unallowable expenses, these reimbursement requests must be revised; all unallowable expenses removed; and funds repaid to ODOT, or clearly deducted from a future reimbursement request. 2. UPTD must carefully review documentation and evidence at its disposal and make a determination as to whether the General Manager/CEO spent non-negligible work hours engaged in political or other non-work related activities. Salary and benefits for the General Manager/CEO since April of 2025 were paid with federal funds. If the agency determines that the General Manager/CEO or other contract staff were not working in the interests of UPTD full-time during the period they were paid with federal funds, an accounting of this time	120 days

	Manager/CEO spent working hours for UPTD on other personal or political activities. Collectively, these issues represent potential false claims and/or fraud that warrant referral to appropriate local enforcement authorities for investigation and potential restitution. Reporting of potential fraud, waste, or abuse of federal funds is required under the False Claims Act (31 U.S.C. § 3729). Finally, the General Manager/CEO chose a person he described in writing as a friend to become the Compliance Manager, and informed the UPTD staff in writing that the incoming Compliance Manager had been the Director of Construction at ODOT for 30 years, and had managed an annual budget of \$300,000,000. This statement was false. The only work experience on the Compliance Manager's job application with UPTD shows less than three months working as the president of a non-profit. This employee was quickly promoted to Chief Operating Officer of UPTD. The hiring of executive level personnel without relevant position experience demonstrates a lack of sufficient controls in authorizing expenditures.	must be made. UPTD may not charge any such time to the federal or state awards, as these costs are unallowable. If improper payments have been reimbursed, UPTD must account for and return these funds to ODOT. If a determination that the General Manager/CEO was not working full-time on behalf of UPTD at any time since April of 2025 is made, the provisions of the False Claims Act are implicated and if applicable must be reported to FTA and/or the federal DOT's Office of the Inspector General. After UPTD completes its review and analysis of the General Manager/CEO's employment activities since April of 2025, a report detailing the results, along with all relevant evidence, must be forwarded to ODOT for review.	
Topic: Financial Management		Subtopic: Audit	Advisory Recommendation
No.: 2313		Code: N/A	
Item No.	Condition	Remedy	Timeframe
4	As of last year's compliance report, UPTD was significantly behind on the timely submission of its single audits. The agency has now caught up, and audits up to and including the FY2024 Single Audit have been prepared. However, the FY2024 Audit reflects the conditions as of the year ended June 30, 2024. This audit cited	UPTD should review the results of the upcoming FY2025 audit as soon as they are available. Any repeated findings should be addressed immediately by senior financial staff, leadership, and the Board. ODOT will review the FY2025 audit when it is available and will follow up on any deficiencies.	No specific timeframe

	multiple repeat findings; it is unclear from audit reporting if some of these systemic issues have been resolved.		
Topic: Procurement		Subtopic: Third-Party Contracting Capacity	Compliance Observation
No.: 2314		Code: P2-5	
Item No.	Condition	Remedy	Timeframe
5	The subrecipient does not test for contractor responsibility prior to contract award. 49 U.S.C. § 5325 (j) requires recipients to make FTA-assisted contract awards only to “responsible” contractors possessing the ability to successfully perform under the terms and conditions of a proposed procurement. Before making an award to a contractor, a recipient must consider the integrity of the contractor, the contractor’s compliance with public policy, the contractor’s past performance, and the contractor’s financial and technical resources. For each third-party contract expected to equal or exceed \$25,000, subrecipients must also verify that the bidder is not excluded or disqualified by: • Checking System for Award Management (SAM) Exclusions (at SAM.gov); or • Collecting a certification; or • Adding a clause or condition to the covered transaction. In UPTD’s last compliance report (October, 2024), the remedy for this Compliance Observation specifically stated, “At no time in the future may UPTD contract with any individual or organization until a responsibility determination that complies with all parts of 49 U.S.C. § 5325 (j), including proof the applicant possesses the experience and knowledge necessary for the job has been completed. UPTD is	The previous corrective action remains valid. At no time in the future may UPTD contract with any individual or organization until a responsibility determination that complies with all parts of 49 U.S.C. § 5325 (j), including proof that the applicant possesses the experience and knowledge necessary for the job, is complete. UPTD is hereby put on notice that state or federal funds may not be reimbursed for any payments to contractors that do not meet these requirements. A full responsibility determination is more than checking Sam.gov for debarred contractors. UPTD must consider the integrity of the contractor, the contractor’s compliance with public policy, the contractor’s past performance and experience, and the contractor’s financial and technical resources. <i>Though not an exhaustive list, the following are examples when UPTD must make a full responsibility determination and forward it to ODOT for review before finalizing any contract of \$25,000 or more:</i> • <i>The hiring of a contractor, even for an internal position at UPTD, where the position is contracted for a specific amount of time (such as an interim or</i>	180 days

	hereby put on notice that no state or federal funds will be reimbursed for any payments to contractors that do not meet these requirements. Proof of UPTD's responsibility determination for each new contract awarded shall be forwarded to ODOT with any reimbursement request until further notice, so that ODOT can verify they are not providing state or federal funds for unallowable expenses." After this report was issued, the General Manager/CEO (who recently resigned) received a contract for temporary professional services with UPTD. At that time, the contractor hired had experience, knowledge, or background in transit or the administration of grants. No responsibility determination for this contract was forwarded to ODOT as required. The General Manager/CEO's past work experience includes running a coffee shop, and being a political consultant. This is a repeat finding.	<i>contracted employee—not a regular, at-will employee);</i> • <i>Any service contract to a company (landscaping, accounting, janitorial services, etc.) where the total value of the contract over the period of performance will total \$25,000 or more; OR</i> • <i>Any purchase of a product or products where the total cost of the goods throughout the period of performance will total \$25,000 or more.</i> For the six months following the issuance of this report, UPTD must forward a full responsibility determination to ODOT for review before awarding any contract of \$25,000 or more.	
Topic: Procurement		Subtopic: Third-Party Contracting Capacity	Compliance Observation
No.: 2315		Code: P3-5	
Item No.	Condition	Remedy	Timeframe
6	The subrecipient's Procurement Policy sufficiently outlines the requirements of sole-source and noncompetitive procurements; however, the staff and Board were unfamiliar with, or potentially as this is a repeat finding, were willfully ignorant of these requirements. Noncompetitive procurements can only be awarded under the conditions detailed in 2 CFR § 200.320(c).	The subrecipient must submit documentation that all staff involved in procurements, as well as the full UPTD Board, have received external training on procurement sufficient to cover the basic FTA and ODOT requirements of non-competitive procurements.	30 days

	The initial short-term contract for the General Manager was obtained as a sole source procurement without justification. When the prior General Manager resigned, ODOT offered assistance in the form of lending a General Manager from another transit agency until an experienced interim General Manager could be found. Instead of accepting the assistance or posting the position, the Board chose to hire someone with no transit or grant management experience, but who happened to be a friend of several Board members. Additionally, it was found that no sole justification was included in the procurement file. Finally, for any procurement where competition is not present, ODOT requires the subrecipient to conduct a cost analysis; no such analysis was conducted. This is a repeat finding.		
Topic: Americans with Disabilities Act (ADA)		Subtopic: Nondiscrimination	Compliance Observation
No. 2316		Code: ADA2-4	
Item No.	Condition	Remedy	Timeframe
7	Although the agency states suspensions are rarely imposed, UPTD's No-Show Suspension Policy does not give specific information on the exact percentage or number of missed trips that may trigger a suspension. FTA policies require UPTD to take into account the total trips taken, accounting for the frequency of usage of the system by the passenger. Additionally, the policy does not state how long suspensions would be imposed for violations. Although the policy is generally well-written and requires the passenger to establish a pattern or practice of missed trips before suspending the rider, one cannot assure equitable application of suspensions if there are no specific standards.	UPTD may choose to eliminate its no-show suspension policy, or revise it to be consistent with the guidance in 49 CFR 37.125(h) and 49 CFR 37, Appendix D. Revisions must include concrete metrics for determining what constitutes a pattern or practice of missed trips. The consequences of the first and subsequent violations of the no-show policy must be designated, with no suspension lasting longer than 30 days.	The corrective action was made on September 29, 2025. The finding is closed as of the issuance of this report.

	This is a repeat finding from both the FY2021 and FY2024 ODOT Compliance Review.		
Topic: Americans with Disabilities Act (ADA)		Subtopic: Complementary Paratransit Service	Compliance Observation
No. 2317		Code: ADA2-6	
Item No.	Condition	Remedy	Timeframe
8	The ADA complaint process is not advertised on UPTD's website. In accordance with 49 CFR § 37.17, all public and private entities subject to ADA regulations must adopt procedures that provide for the prompt and equitable resolution of ADA complaints. The procedures must describe the process for filing a complaint, including the contact information for the employee responsible for investigating ADA complaints. The ADA complaint procedures must be sufficiently advertised to the public, preferably on UPTD's website. UPTD must communicate and document the outcome of its complaint investigation to the complainant. This is a repeat finding.	UPTD must designate a responsible employee to address ADA concerns (generally called an ADA Coordinator, see 49 CFR §37.17(h)); establish procedures that incorporate appropriate due process standards; provide for the prompt and equitable resolution of complaints alleging any action prohibited by the ADA; and effectively communicate (via the agency's website) how the public may file complaints, with the corresponding procedures.	60 days
Topic: Americans with Disabilities Act (ADA)		Subtopic: Complementary Paratransit Service	Compliance Observation
No.: 2318		Code: ADA6-2	
Item No.	Condition	Remedy	Timeframe
9	While complementary paratransit denials are now being tracked, trips in which riders accept a negotiated time outside the one-hour window are <i>not</i> currently counted as denials. These must be tracked, but can be categorized as "Denied, But Provided," indicating that the UPTD could not meet the plus/minus one-hour	The subrecipient must develop and submit to ODOT its procedures for tracking all complementary paratransit service denials, including when an individual accepts a trip time outside of the requested one-hour window. To demonstrate compliance with this observation, UPTD must provide ODOT with copies of its next three months of service reports, which	120 days

	trip negotiation window but did provide the trip (and therefore can count these trips in NTD ridership reports). This is a repeat finding from both the FY2021 and FY2024 ODOT Compliance Review. Monitoring of paratransit service has improved overall since the last review.	should include any denials that can be categorized as “Denied, But Provided.”	
Topic: Americans with Disabilities Act (ADA)		Subtopic: Nondiscrimination	Advisory Recommendation
No.: 2319		Code: N/A	
Item No.	Condition	Remedy	Timeframe
10	UPTD offers reasonable modifications of its program procedures and rules for those with disabilities who need them. However, this information could be more broadly advertised to ensure those who may need a modification can locate the procedures.	UPTD should consider adding information on the availability of reasonable modifications of system policies and practices on the FAQ portion of the Paratransit page of the agency website.	UPTD proactively made this change on September 30, 2025. No further action is needed.
Topic: Monitoring of Lower-Tier Subrecipients		Subtopic: Lower-Tier Subrecipients	Advisory Recommendation
No.: 2320		Code: N/A	
Item No.	Condition	Remedy	Timeframe
11	UPTD has dramatically improved its oversight of subrecipients. However, not all of the techniques they are using are necessarily written as formal or required procedures.	UPTD should consider compiling all subrecipient monitoring activities into one written procedure to ensure the recent improvements continue into the future.	No specific timeframe