

OVERALL WORK PROGRAM

Subrecipient Award & Monitoring Procedures

Updated August 2023



Prepared by

OAHU METROPOLITAN PLANNING ORGANIZATION

Introduction

OahuMPO is a Metropolitan Planning Organization (MPO) mandated by the Federal and State governments to develop regional transportation plans and coordinate a continuing, cooperative, comprehensive (3-c) transportation planning process. Participating agencies include the City and County of Honolulu Department of Transportation Services (DTS), the State of Hawaii Department of Transportation (HDOT), and the Honolulu Authority for Rapid Transportation (HART).

OahuMPO receives Federal metropolitan transportation planning funds from the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA). The Overall Work Program, a federally required work product, describes how OahuMPO uses these federal funds to meet metropolitan transportation planning requirements. Visit this page to learn more about OahuMPO's Overall Work Program (OWP):

<https://www.oahumpo.org/plans-programs-and-studies/overall-work-program-owp/>

In addition to work elements or tasks necessary to meet federal requirements, the OWP identifies and funds transportation-related planning studies undertaken by the OahuMPO and its participating agencies or other eligible government agencies. Often these studies are completed in order to investigate and better understand a specific transportation problem and to help define the best possible solution. When OahuMPO funds a planning study to be completed by another government agency or subrecipient, OahuMPO acts as a pass-thru entity and is responsible for monitoring the compliance with federal regulations.

Purpose

The purpose is to document OahuMPO's procedures for monitoring federal planning funds passed through to eligible government agencies and to ensure that grant monitoring is consistent with Federal and State regulations. This document also outlines the subaward monitoring and management responsibilities of subrecipients¹.

Pre-Award Risk Assessment

Per 2 CFR 200.332(b), pass-through entities must evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward. Risk assessments consider the following factors:

- a. The subrecipient's prior experience with the same or similar subawards.
- b. The results of previous audits, including whether the subrecipient receives a Single Audit, and the extent to which the same or similar subaward has been previously audited.

¹ A subrecipient is defined as one of OahuMPO's participating agencies (Hawaii DOT, DTS and HART), or a state or local government agency.

- c. Whether the subrecipient has new personnel or a new or substantially changed system.
- d. The extent and results of Federal awarding agency monitoring (e.g. if the subrecipient also receives Federal awards directly from a Federal awarding agency).

Per 2 CFR 200.205, OahuMPO may consider other risk factors and modify the monitoring procedure accordingly and/or place additional conditions on the subaward.

OahuMPO will complete one Risk Assessment form per subrecipient work element. The Risk Assessment document is included as Exhibit A. This document will be submitted to the Executive Director and the Accountant with a cover page for signatures and dates.

Subaward Agreement

Following the receipt of the OWP approval letter from the USDOT indicating that costs are allowable and eligible, OahuMPO will request the obligation of planning funds by the Hawaii DOT. After the funds are obligated, OahuMPO will issue subaward terms or execute a memorandum of agreement (MOA) with the subrecipient for the new pass-thru work elements. The subaward or MOA document is included here as Exhibit B. As required by 2 CFR 200.332(a), the document will specify the following:

- a. The subrecipient's name;
- b. The subrecipient's Unique Entity ID (UEI) and Employer Identification Number (EIN);
- c. The Federal Award Identification Number;
- d. The Federal award date;
- e. The subaward period of performance start and end date;
- f. The subaward budget period(s) start and end date;
- g. Amount of Federal funds obligated to the subrecipient by OahuMPO through the issuance of the subaward;
- h. Total amount of Federal funds obligated to the subrecipient by OahuMPO including the current subaward;
- i. Total amount of the Federal award committed to the subrecipient by OahuMPO;
- j. Federal award project description;
- k. Name of the Federal awarding agency (FHWA) and pass-through entity (OahuMPO), and contact information for the awarding official;
- l. CFDA number and name; the dollar amount made available under each Federal award and the CFDA number at the time of disbursement;
- m. Identification of whether the award is for Research & Development;
- n. Indirect cost rate for the Federal award (if applicable);
- o. All requirements imposed on the subrecipient by OahuMPO;
- p. Requirements imposed on the subrecipient in order for OahuMPO to meet its own responsibilities to the Federal awarding agency, including any required financial and performance reports;

- q. A requirement that the subrecipient permit OahuMPO's auditors to have access to the subrecipient's records and financial statements as necessary for OahuMPO to meet its audit requirements; and
- r. Appropriate terms and conditions concerning closeout of the sub-award

Post-Award Tasks

Desk Review

Based on assessed risk, a site visit and/or a desk review will be performed. Subrecipients receiving \$100,000 or more annually in pass-through grant funding will likely receive site visits unless they are determined to be low risk. "Desk review" includes review of scope-of-work and procurement documents as required in Subaward Terms.

When reviewing procurement documents, OahuMPO will verify consistency with the description, objective, task descriptions, work products, etc used to describe the study in the Overall Work Program endorsed by the Policy Board and approved by the FHWA/FTA.

Invoice Approval

OahuMPO will review each subrecipient invoice to ensure that it includes adequate supportive documentation for the costs incurred, e.g. the invoice from the consultant and applicable interim deliverables. OahuMPO will also verify consistency between the invoices and the consultant contract.

Status Reports

OahuMPO will send formal written requests for subrecipients to submit annual status reports and review each upon receipt. Content from annual status reports is included in OahuMPO's Annual Report to the FHWA/FTA and the Hawaii State Legislature.

Audit Review

OahuMPO will verify subrecipient is audited when it is expected to expend federal awards exceeding \$750,000 per section 2CRF Subpart F 200.501 audit requirements. If a subrecipient receives an audit finding pertaining to the subaward, OahuMPO will issue a management decision within six months of the audit acceptance by the Federal Audit Clearinghouse ("FAC"). OahuMPO will monitor the FAC as needed for subrecipient audit results. OahuMPO will review the most recent subrecipient audit reports to verify which OWP work elements were reviewed and whether any of the findings or corrective actions in the audit pertained to them.

OahuMPO will work with subrecipients to schedule presentations to the OahuMPO Policy Board and one or more Advisory Committees. The action requested of the Policy Board will be to "approve the report as evidence that the work was carried out, submit the final report to the USDOT for approval, and incorporate study findings into the metropolitan transportation planning process".

OahuMPO will verify that all final work products are submitted prior to final payment, including the required text specified on the Subaward Terms.

OahuMPO will send formal written communication to agency partners confirming that all sub awardee requirements have been satisfied. OahuMPO will submit the final report to USDOT in electronic format prior to publication on OahuMPO's website.

Reporting

OahuMPO staff will submit an annual report to the Executive Director to show the status of Post-Award monitoring for each work element. The report will include the following information for all subrecipient work elements:

- Work element ID#, description and subrecipient
- Work element cost with federal/local breakdown
- Date of FHWA/FTA authorization
- Date of funds obligation by HDOT
- Checkbox for pre-award risk assessment
- Date of issuance or revision of subaward terms
- Checkbox for receipt of status report from subrecipient
- Percent of budget expended as of the date of the report

Subrecipient Responsibilities

Subrecipients of pass-thru funding from OahuMPO are responsible for:

1. **Proposing an OWP Candidate Work Element.** For more information on responding to the OWP Call for Candidate Work Elements, refer to the ***Overall Work Program Processes & Procedures***, available on this page: <https://www.oahumpo.org/plans-programs-and-studies/overall-work-program-owp/>
2. **Review and file subaward or sign a memorandum of agreement.** OahuMPO staff will prepare a subaward terms document or a memorandum of agreement for each work element.
3. **Conforming to Federal procurement requirements.** In some cases, Federal requirements may not match State requirements, so the subrecipient must use the more restrictive requirement in order to comply with both. Prior to solicitation, the subrecipient must perform a cost or price analysis in connection with every procurement action in excess of \$150,000.¹⁰ The subrecipient must invite OahuMPO staff to serve as a voting or non-voting member of any selection or evaluation committee. The project contract must be consistent with the scope and tasks identified in the work element as it appears in the approved OWP. A copy of the final draft contract and negotiated scope-of-work must be provided to OahuMPO staff for a consistency determination prior to the execution of the contract. The subrecipient must take all necessary affirmative steps to assure that minority business, women's business enterprises, and labor surplus area firms are used when possible.¹¹ The subrecipient must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where a cost analysis was performed.¹²
4. **Managing the work element(s).** This includes working cooperatively with OahuMPO staff for the monitoring of all work tasks; completing and delivering all project reports and work products, including drafts, databases, and shapefiles; and preparing the project status reports by the milestone deadline.
5. **Progress Reports.** Submitting annual progress reports upon written request by OahuMPO.
6. **Maintaining records.** The subrecipient must maintain and make readily available to the OahuMPO staff upon request records sufficient to detail the history of procurement, including, but not necessarily limited to¹³:
 - Rationale for the method of procurement;
 - Selection of contract type;

¹⁰ 2 CFR §200.323(a)

¹¹ 2 CFR §200.321(a)

¹² 2 CFR §200.323(b)

¹³ 2 CFR §200.318(i)

- Contractor selection or rejection; and
- The basis for the contract price.

The subrecipient may use a time and materials type contract only after a determination that no other contract is suitable and only if the contract includes a ceiling price¹⁴. All subawards from OahuMPO are not-to-exceed amounts. Any costs overruns incurred beyond the award limit are the responsibility of the subrecipient.

7. **Requesting prior approval for changes.** Subrecipients must request and receive prior approval¹⁵ from OahuMPO staff for one or more of the following reasons:
- Change in scope or objective of the project or program (even if there is no associated budget revision);
 - Change in a key person (usually the project manager) specified in the approved OWP work element;
 - Disengagement from the project for more than three months, or a twenty-five-percent reduction in the time devoted to the project, by the project manager;
 - The inclusion of new costs or funds;
 - A reduction or transfer of funds originally budgeted for support costs of the participating agency;
 - New subawards, transferring, or contracting out of any work under the Federal award; and
 - Changes in the amount of approved cost-sharing or matching provided by the participating agency.

In some instances, the requested change will require a formal amendment to the OWP, including a public and intergovernmental review period. Subrecipients are encouraged to request change approvals from OahuMPO staff as soon as possible to prevent unnecessary delays or work stoppage while the OWP amendment is processed.

8. **Submitting reimbursement requests.** Requests for reimbursement must be submitted to the OahuMPO staff through the subrecipients' fiscal offices or departments. Each reimbursement request must include a progress report for the billing period and a Disadvantaged Business Enterprise (DBE) payment certification. Consultant invoices, staff time sheets (when applicable), related receipts, interim deliverables and additional supporting documentation for allowable costs must accompany reimbursement requests.

¹⁴ 2 CFR §200.318(j)

¹⁵ 2 CFR §200.308(c)

9. **Completing the work element within the specified budget period(s)**¹⁶.

Subrecipients must submit a written request for a no cost budget period extension if the study falls behind schedule. Refer to the Overall Work Program Processes & Procedures for more information on the OWP schedule.

10. **Submitting accessible presentations, draft work products and final reports.** Along with reimbursement requests, the subrecipient must provide interim and final work product deliverables in electronic format. Deliverables should include all databases, shapefiles, and other materials used in the development of the final product. Final work products must include the following statements:

- “This report was funded in part through grants from the Federal Highway Administration and Federal Transit Administration, U.S. Department of Transportation. The views and opinions of the agency expressed herein do not necessarily state or reflect those of the U.S. Department of Transportation.”
- “Prepared by [Subrecipient] in Cooperation with the Oahu Metropolitan Planning Organization and the United States Department of Transportation.”

The accessibility of all work products must comply with 28 CFR Part 35, Nondiscrimination on the Basis of Disability in State and Local Government and State of Hawaii Act 172: Electronic Information Technology Accessibility for Persons with Disabilities. Web Content Accessibility Guidelines provide technical standards for ensuring accessibility compliance.

11. **Timely close-out of the study.** Promptly close out the study upon completion by providing a presentation of the study findings or outcomes for consideration by the OahuMPO Policy Board and one or more of its Advisory Committees. Project close-out cannot occur until the consultant’s final DBE report and Hawaii Compliance Express compliance certificate have been provided to OahuMPO.

12. **Retaining Records.** Financial records, supporting documents, and all other records pertinent to the award must be retained for no less than three (3) years from the date of submission of the final expenditure report¹⁷. The records must be made available to OahuMPO’s auditor upon request.

Failure to meet one or more of these requirements may result in the loss of continued funding for the work element and subject the subrecipient to greater scrutiny under OahuMPO’s risk assessment methodology. The subrecipient may also be required to pay back any Federal funds used in support of the work element.

¹⁶ *Budget period* is defined as the time interval from the start date of a funded portion of an award to the end date of that funded portion during which recipients are authorized to expend the funds awarded. Period of performance includes administrative close out tasks that occur after the last budget period end date.

¹⁷ 2 CFR §200.333

Exhibit A
Risk Assessment Form

Introduction

Per OahuMPO's *Financial and Accounting Processes & Procedures*, risk assessments of subrecipients will be performed and documented for each subaward. This risk-based approach will be used to minimize the liabilities associated with various areas of subrecipient activity. The risk assessment will be based entirely on the data certified as accurate by the reporting subrecipient. This document covers pre-award risk assessments completed during the reporting period.

The risk assessment considers the following factors:

- a. The subrecipient's prior experience with the same or similar subawards.
- b. The results of previous audits, including whether or not the subrecipient receives a Single Audit, and the extent to which the same or similar subaward has been previously audited.
- c. Whether the subrecipient has new personnel or a new or substantially changed system.
- d. The extent and results of Federal awarding agency monitoring (e.g. if the subrecipient also receives Federal awards directly from a Federal awarding agency).

Risk Assessment by Subaward

OWP Work Element Name:

Total Cost:

Responsible Agency:

Subaward:

Risk Factor	Assessment
Prior Experience	
Audit Results	
New Personnel or System	
Fed Awarding Agency Monitoring	

OWP Work Element Name:

Total Cost:

Responsible Agency:

Subaward:

Risk Factor	Assessment
Prior Experience	
Audit Results	
New Personnel or System	
Fed Awarding Agency Monitoring	

Exhibit B
Subaward Terms Document

Overall Work Program (OWP) Information	OWP ID:	
	OWP Name:	
Subrecipient Information	Organization:	
	Project Manager:	
	Phone:	
	Email:	
	DUNS:	
	EIN:	
Award – Basic Information	Effective Date (FHWA/FTA Approval):	
	Subaward Period of Performance:	
	Subaward Budget Period:	
	Federal Award ID:	
	Federal Award Date:	
Award – Funding Information	Total Cost for this OWP ID:	
	Federal Funds obligated for this OWP ID:	
	Local funds for this OWP ID (20% share):	
	Total Federal Funds Obligated to Subrecipient in this Fiscal Year:	
	Total Amount of the Federal Award committed to the subrecipient:	
Basic Information	Location & Principal Place of Performance:	Honolulu, Hawaii
	Congressional District:	1 st
	Federal Awarding Agency:	Federal Highway Administration
	Pass-Through Entity:	Oahu Metropolitan Planning Organization
	Awarding Official:	Mark Garrity, Executive Director
	Telephone:	808-586-2308
	Email:	mark.garrity@oahumpo.org
	CFDA Number:	20.205
	CFDA Name:	Highway Planning and Construction
	Indirect Cost Rate:	N/A
	<i>De minimis rate?</i>	N

This subaward **IS NOT** for Research and Development purposes.

These Subaward Terms are prepared in accordance with the requirements set forth in Title 23 United States Code (U.S.C.), Title 49 U.S.C., 23 Code of Federal Regulations (CFR) Subpart C, 49 CFR 5303, and 2 CFR 200, as well as all applicable State statutes, administrative rules, and local ordinances. The most current versions of the U.S.C, CFR, the Stewardship Oversight Agreement on Project Assumption and Program Oversight, the State of Hawaii Department of Transportation Local Public Agency (LPA) Manual for Federal Aid Program, and State-County Memorandum of Agreement (MOA) Implementation of County Federal-Aid Highway Projects and Programs shall govern in cases where these terms are silent.

These terms further stipulate that, as a condition to the payment by the State of Hawaii of any funds derived from sources noted above and obligated to this project, the [subrecipient] accepts

and will comply with the most current edition of the above listed requirements, the [Overall Work Program Policies and Procedures](#) and [Subrecipient Award and Monitoring Procedures](#) including, but not limited to:

1. Providing the project scope-of-work, procurement documents, and independent cost estimates to OahuMPO for review as to form and concurrence prior to releasing the documents to consultants and/or the general public;¹⁸
2. Inviting OahuMPO staff to observe the Selection Committee meeting(s) during which offerors are evaluated and/or ranked;
3. Providing supporting documents with invoices. Supporting documents may include: paid invoices, receipts, copies of agreements, timesheets, certified payrolls, and other documents as necessary;¹⁹
4. Submitting progress reports in the format and according to the schedule established by OahuMPO;²⁰
5. Providing all work products developed under the work element in an accessible format consistent with federal and state regulations. Refer to the [Web Content Accessibility Guidelines](#) for accessibility standards. These products include, but are not limited to maps, plans, reports, manuals, and databases and other materials used in the development of the final product;
6. Promptly closing out the project upon completion by providing an accessible presentation of the final report for consideration by the OahuMPO Policy Board and one or more of its Advisory Committees;
7. Obtaining prior written approval for the following changes to the Work Element:
 - a. Budgetary. Any increase in Federal funds (49 CFR 18.30(c)(1)(i)).
 - b. Programmatic. A change in the scope or objectives of activities (e.g., adding or deleting line items), extending the work element schedule past the approved work program period, transferring substantive programmatic work to a third party (e.g., consultant work not identified in the original Work Element), and capital expenditures including purchase of equipment (49 CFR 18.30(d)(1), 49 CFR 18.30(d)(2), 49 CFR 18.30(d)(4), and 2 CFR 200, respectively).
 - c. Travel. Any travel events not specifically identified in the work element as it appears in the approved Overall Work Program.²¹
8. Including the following disclaimer statement on all products and deliverables:
*"This report was funded in part through grants from the Federal Highway Administration and Federal Transit Administration, U.S. Department of Transportation. The views and opinions of the agency expressed herein do not necessarily state or reflect those of the U.S. Department of Transportation."*²²
9. Including the following on all covers and title pages of all products and deliverables:
"Prepared by [Subawardee Name] in Cooperation with the Oahu Metropolitan Planning Organization and the United States Department of Transportation."

Failure to comply with the provisions of these terms may result in the non-reimbursement of eligible expenses incurred by the subawardee as part of the completion of the work element. A copy of the approved Overall Work Program work element described herein is attached to and by reference incorporated into and made part of this Subaward Terms.

¹⁸ See also 2 CFR 200.325(a) and State-County MOA.

¹⁹ See also 2 CFR 200.325(a) and State-County MOA.

²⁰ See also 2 CFR 200.329(b).

²¹ See 2 CFR §200.475

²² See 23 CFR 420.117(e)