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Structured Review for Project Activity and Expenditure Monitoring

Wake Transit supports leveraging a voter approved local option sales tax, together with other local, state, and federal funds, to finance the efficient and responsible delivery of transit options supporting the implementation of the Wake Transit Plan. The Wake Transit Interlocal Governance Agreement (ILA) parties, together with numerous Wake County municipalities and other agencies, have entered into a Master Participation Agreement, which amongst other things, establishes standards for the receipt of funding allocations from Wake County Transit Tax Revenue. The Master Participation Agreement also requires that implementation elements, or operating or capital projects, whether partially or fully funded with Wake Transit Tax Revenues, will not move forward until a Capital Funding Agreement or Operating Agreement is executed by and between the implementing party, GoTriangle as administrator of the Special Tax District, and CAMPO (if the item involves federal or state funding that is otherwise under the distribution and program management responsibility of CAMPO, or regardless of funding source, constitutes a regionally significant project).

The Wake Transit Governance ILA, and operating and capital agreements, require project sponsors to provide information to support quarterly and annual reporting. Moreover, these agreements outline that the annual transit report prepared by GoTriangle shall provide information regarding how strategic public objectives have been met and shall include the progress achieved, the strategies being followed, and performance targets and key milestones for capital project and operating services identified in the Wake Transit Work Plan. Project sponsors agree to share supporting documentation, in addition to their quarterly and annual reporting, in a timely manner. Operating agreements are for a twelve-month period of performance and have a 14-month agreement term to allow final project reporting and reimbursement. Capital projects have a 42-month agreement term as they may take a longer period of time to incur project expenses or achieve project or phase completion.

While operating and capital projects have specific periods of performance, and project reporting provides an overview of expenses requested to be reimbursed by project sponsors and the status of specific reporting deliverables, there is a need for a structured review of project statuses to ensure funds appropriated are used in accordance with implementing the Wake Transit Plan. The basis of reviewing funds should be the unaudited actual results for the most recently ended fiscal year and a report of annual project activity compiled by the Tax District. The report of annual project activity compiled by the tax district will include the following for the purposes of reporting project status:

- Purple: No project activity to date and no activity is anticipated
- Red: No project activity to date, but the project sponsor still intends to deliver the project
- Orange: Project is behind, and not on target to meet the timeline originally programmed in the Work Plan
- Yellow: Project is behind, but on target to meet the timeline originally programmed in the Work Plan
- Green: Project is on schedule, on target to meet the timeline originally programmed in the Work Plan, or project is complete.

For operating projects, if a project is reported as purple, red, or orange at the end of the most recently ended fiscal year, funds may be included for continued operating funding in a subsequent Draft and Recommended Wake Transit Work Plan after review and recommendation from the TPAC Budget and Finance and Planning and Prioritization subcommittees. This review may

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include any recommended scope, funding, or schedule changes to existing or future programmed projects based on project progress and performance.

For capital projects, if after 24 months there have been no requests for reimbursement, there is no vendor or consultant agreement in place, or the project is reported as purple, red, or orange, the project sponsor shall report to the TPAC Budget and Finance and Planning and Prioritization Subcommittees, as part of a structured review, the activities completed to date, scope remaining, and feasibility of completion within a 42-month agreement term. The project sponsor should provide a proposal for recovering the schedule or submitting a scope amendment to alter the project definition. For project phases beginning with the FY 2021 Work Plan and beyond, if the structured review results in an unsatisfactory plan for recovery, the subcommittees or the TPAC can provide a recommendation to reallocate prior year appropriations to another project, close the project and revert funds to fund balance, and/or extend or deprogram subsequent phases from the Wake Transit CIP.

For both operating and capital projects, project reviews should be conducted by the time annual Wake Transit operating and capital requests, as well as changes to base budgets, are due for the annual Wake Transit Work Plan preparation cycle. This structured review is contemplated to occur in September after the most recently completed fiscal year. Recommendations will be made in conjunction with the TPAC's annual Wake Transit Work Plan, requiring approval by the Wake Transit governing boards.