

BE PREPARED
Surviving the FTA's
Procurement System Review

Or
Who Ya Gonna Call?

Scope of the Review – Sometimes a Moving Target

What is the Period Under Review?

Letter from FTA dated Feb 10 announcing the PSR

Sets the site visit dates for the week of April 12, 2010

- first document request have available for the on-site review, a listing of all contracts awarded in the past 24-month period ending March 31, 2010 (*i.e.*, 9 mos Apr-Dec 2008; 12 mos - all of 2009 & 3 mos - Jan-Mar 2010). Listing should include all procurement actions and contracts using Federal funds. *Is that ALL federal funds or just FTA funds?*
- second document request is for advance material and asks for a copy of procurement policies and regulations to be provided the reviewer by March 15, 2010.

Scope of the Review – Sometimes a Moving Target

Attachment to FTA letter - the list of documents to have on hand at the site visit. The scope of review expands through this list:

- Any sole source, single bid, brand name or award under other than low bidder procurements during the past three years? *Three years?? 2007, 2008 and 2009?? ANY award other than low bid for the past three years is now fair game.*
- Provide any internal and/or external audit reports for the past 36 months. *The past 36 months?? (i.e., 9 mos Apr-Dec 2007; 12 mos each for 2008 and 2009 & 3 mos - Jan-Mar 2010).*
- Provide information on all claims outstanding (*no time frame and no dollar threshold specified*); and provide the history on all claims exceeding \$100,000 during the past two years.

Scope of the Review – Sometimes a Moving Target

Attachment to FTA letter - the list of documents to have on hand at the site visit. The scope of the review expands:

- Provide pre-award and post-delivery rule certifications for the past five years. *Agency's certificates? Vehicle builders' certificates? Certificates & Assurances submitted with annual Master Agreement? All of the above?*

@ the entrance conference - The scope expands again:

- Reviewers request ALL Buy America reports and certifications for all rail and bus procurements *for the past five years.*

BE PREPARED

- COMMUNICATE, COMMUNICATE, COMMUNICATE
- START BEFORE ITS TOO LATE
- DEVELOP A PLAN FOR MANAGING THE AUDIT
- CREATE A CORE TEAM FOR MANAGING THE AUDIT
- MANAGE THE AUDIT

BE PREPARED COMMUNICATE³

“We've known each other many years, but this is the first time you came to me for counsel, for help. I can't remember the last time that you invited me to your house for a cup of coffee, . . .”

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BE PREPARED COMMUNICATE³

On-going Communications

- BUILD A RAPPORT
- BUILD A RELATIONSHIP
- BUILD A NETWORK
- with the FTA
- within your agency
- with your fellow TRANSIT AGENCIES

BE PREPARED COMMUNICATE³

- If you don't have a relationship, start one.
- If you do have a relationship, cultivate it.
- If the fence is broken, mend it.
- Pick up the phone or stop by.

BE PREPARED

START BEFORE ITS TOO LATE

- Don't wait for the letter - If you wait you'll be playing catch up.
- We are in constant contact with the regional office.
- We maintain an excellent working relationship with the regional office.
- EARLY NOTICE – From the moment we get word that we are on the radar for a PSR or a Triennial or an FMO, we notify our internal stakeholders.
- We start the process.
- We follow up with a broadcast e-mail message.
- We mobilize the team.
- We send people to attend the FTA workshops.
- If you cannot afford the travel to attend the PSR workshop, obtain the workshop notebook (see FTA website), and put it to good use. It is a most valuable tool.

BE PREPARED

CREATE A CORE TEAM

- IDENTIFY ROLES & RESPONSIBILITIES OF THE KEY PLAYERS
 - Primary contact person [liaison with FTA & FTA PSR Review Team Leader and core team]
 - Event Coordinator - Event Planner - Taskmaster
 - Primary receiver of documents
 - Primary reviewer of documents
 - Primary sender of documents
- Make sure each player has a back up.
- Be prepared to fill in as the understudy in the event the prime and the back up are unavailable at showtime.

BE PREPARED

CREATE A CORE TEAM

- PUT SOMEONE WITH SUFFICIENT CLOUT IN CHARGE
- IDENTIFY THE KEY PLAYERS
 - Team Captain – Audit Liaison
 - Deputy Director Finance
 - Grants Manager & Grants Administrators
 - Procurement Manager & Supervisors
 - Goods & Services Procurement
 - Professional & Technical Services Procurement
 - Rolling Stock Procurement
 - Big Spenders
- Dedicate sufficient time for all involved to plan, coordinate and manage the FTA PSR.

BE PREPARED

CREATE A CORE TEAM

- If top management is not board, bring them on board
- If top management is on board, keep them in the loop
- Develop a process to report to them.
- Have them present at key meetings (entrance and exit conferences at minimum).
- Have them briefed in advance of the exit conference on all matters of importance.

BE PREPARED

DEVELOP A PLAN FOR MANAGING THE AUDIT

- Logistics, document gathering, coordination, QA and transmitting – advance and on-site
- Protocols, communications to participants, expectations, dress rehearsals, mock interviews
- SHARE POINT
- Keep a permanent file with a roster of players, their roles & responsibilities matrix
- Task List for Advance Materials
- Task List for on-site materials and other requirements
- Venue coordination - how many agency locations will review team be visiting?
- Reviewer: ‘Our only problem was getting around to everybody and every place in a one week review.’

BE PREPARED

PULL IT TOGETHER

- The contract is in the procurement office.
- The ICE is the engineering office.
- The change orders are in the project management office.
- The Buy America certificates are in the internal auditor's office.
- The protest letters are in the attorney's office.

Gather it all together in one place and have all the requested documentation ready for the FTA reviewers before they arrive. Have all the documents available for review in one central location i.e., the procurement office.

BE PREPARED

LOGISTICS, LOGISTICS, LOGISTICS

Care and Feeding of the Auditor



BE PREPARED

LOGISTICS, LOGISTICS, LOGISTICS

- Meet Them - Greet Them - Make Them Feel at Home
- Provide visitor badges, keycards/keys to ensure access to secured buildings
- Provide clean, clear, well-ventilated & secure workspace with enough space & enough light
- Provide them internet access
- Give them a room with a view
- Keep them close to the action
- Keep them hydrated

BE PREPARED

THE PAPER CHASE

- Have every document, file and record they requested for the site visit ready to go before they arrive.
- No matter how well prepared you are, you will still have plenty of opportunity to scramble once they are on-site and start asking for documents they didn't ask for before.
- Make three copies of any paper documents you provide them in response to advance requests and on-site requests:
 - One for them
 - One for you
 - One for your permanent file for reference and easy retrieval during the site visit, for backup, for preparing the response, and for preparing for the next PSR or Triennial.
- If you keep electronic copies, make sure to back them up.

BE PREPARED

PUT YOUR BEST FOOT FORWARD

- BE READY
- BE AVAILABLE
- BE HONEST
- BE RESPONSIVE
- BE FLEXIBLE
- BE PATIENT
- BE QUICK ABOUT IT

THE SYSTEM REVIEW

Summary of Findings

40 Elements	Not Deficient
13 Elements	Deficient
3 Elements	Did Not Apply