



steve policar LLC

procurement consultant for mass transit

100% minority-owned & certified DBE

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August 5, 2018

Chris Payton, Fiscal Manager
City of Albuquerque Transit Department
Alvarado Transportation Center
100 First Street SW
Albuquerque, NM 87102

RE: Quote for Buy America Audits - ABQRide – New Flyer 60ft 5-door Buses

Dear Mr. Payton:

STEVE POLICAR LLC is pleased to submit this quote to the City of Albuquerque Transit Department for conducting Buy America Pre-Award and Post-Delivery Audits in support of the City's procurement of 60ft diesel buses from New Flyer of America.

Please refer to the attached proposal documents submitted in response to the Request for Quote:

- ☐ Qualifications for this Project;
- ☐ Detailed Scope of Work for Buy America Pre-Award Audit;
- ☐ Detailed Scope of Work for Buy America Post-Delivery Audit;
- ☐ Timeframe for Completion of the Buy America Pre-Award Audit; and
- ☐ Cost Estimate.

Also, please refer to the signed certificates as required by the Request for Quote:

- ☐ Certification of Compliance with federal requirements; and
- ☐ Suspension and Debarment Certificate.

Estimated Fee and Expenses

The estimated fee for Buy America Pre-Award and Post-Delivery Audits is \$22,750 and the estimated travel expenses are \$4,300. Please refer to the Cost Estimate document for details.

Deliverables - One Buy America Pre-Award Audit report.
One Buy America Post-Delivery Audit report.

Availability - I am available immediately to conduct the Buy America Pre-Award Audit. Please refer to the Timeframe for Completion of the Buy America Pre-Award Audit document.

DBE Certified Firm

The firm of STEVE POLICAR LLC is a certified Disadvantaged Business Enterprise duly qualified under Title 49, Part 26 of the Code of Federal regulations. STEVE POLICAR LLC is currently DBE-certified in 23 states and the District of Columbia. The firm is a registered DBE in the State of Washington - DBE Certificate No. D5M0023624, and the State of New Mexico - DBE Certificate No. 15-02-533.

STEVE POLICAR LLC is thoroughly experienced, exceptionally well-qualified, and fully prepared to conduct the Buy America Pre-Award and Post-Delivery Audits in support of the City of Albuquerque's procurement of New Flyer buses.

Thank you for the opportunity to submit this quote for Buy America Audit services.

Please contact me if you have any questions.

Sincerely,



Steven S. Policar
STEVE POLICAR LLC

QUALIFICATIONS

Recognized Buy America Expert

Steve Policar, Owner and Principal of STEVE POLICAR LLC is an exceptionally well-qualified Buy America auditor. He is nationally recognized as a leader and expert in the world of Buy America auditing. Known for his knowledge of FTA Buy America regulations, familiarity with the transit vehicle manufacturing industry and his tenacity as an auditor, he delivers high quality, timely results and client satisfaction with every project. Each audit is carefully planned and meticulously executed. Each report is thoughtfully composed and clearly presented. Personal involvement, dedication and commitment to the client are hallmarks of the firm. Placing special emphasis on customer service, he communicates with the client throughout the project. He has developed and refined Buy America Pre-Award and Post-Delivery audit programs detailing the step by step procedures required to obtain sufficient evidence of compliance with the regulations. His audit programs and audit plans have been shared with colleagues, transit agencies and Buy America auditors around the country. STEVE POLICAR LLC combines diverse experience, top-notch technical audit skills, thoughtful, comprehensive, meticulous analysis and continuing professional education to deliver enhanced Buy America auditing services to the City of Albuquerque. His approach, methodology and expertise are at the top in the industry.

Over 25 Years of Experience Conducting Over 150 Buy America Audits

Steve Policar has been planning, directing and conducting Buy America Pre-Award, Post-Delivery and Interim Audits for over 25 years, working as a transit agency audit director and an independent consultant. As Manager of Internal Audit for King County Metro, he developed Metro's FTA Buy America Audit process in 1993 and has personally planned and executed 100% of the Buy America Pre-Award, Post-Delivery and Interim Buy America Audits for Metro Transit since that time. As a loaned executive and independent consultant, he has conducted Buy America Audits for several other transit agencies in support of their rolling stock procurements.

The firm of STEVE POLICAR LLC has performed Buy America Pre-Award and Post-Delivery Audits of transit vehicle manufacturers (TVMs). In addition to the Buy America audits of TVMs, he has performed Buy America Pre-Award and Post-Delivery Audits of suppliers providing key components to bus, rail, LRV and streetcar TVMs. These audits involved manufacturers of battery systems; traction motors, current collection systems (i.e., pantograph) and integrators of electric propulsion systems. His Buy America work has encompassed new rolling stock procurements as well as rebuild/overhaul/rehabilitation projects. In total, Mr. Policar has personally conducted over 150 Buy America Pre-Award, Pre-Delivery Interim, and Post-Delivery Audits.

Superior Project Deliverables - Pre-Award, Interim and Post-Delivery Audit Reports

Without exception, every Buy America audit completed has met all FTA audit requirements. Every one of his Buy America Audits that has ever undergone any review by FTA Triennial Reviews, FTA Procurement System Reviews, FTA Project Management Oversight Consultant reviews, internal audits and independent CPA audits has passed every time with flying colors.



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QUALIFICATIONS

Articulate Communicator

Mr. Policar possesses a thorough understanding of FTA Buy America compliance requirements for rolling stock and manufactured products as set forth in 49 USC 5323(j) - the Buy America Act; 49 CFR 661 - Buy America Requirements; the Buy America Pre-Award and Post-Delivery Audit and certification requirements set forth in 49 CFR 663; and the FTA's Buy America Audit Handbook - *Conducting Pre-Award and Post-Delivery Audits of Rolling Stock Procurements*. He is known at King County Metro as the in-house expert on FTA procurement matters, and for his vast knowledge and experience with FTA Circular 4220.1F, the FTA Best Practices Procurement Manual and the Master Agreement.

He is a frequent presenter at APTA conferences speaking on the topic of Buy America. Recent Buy America presentations included *A Guide to Surviving the FTA Buy America Audit*, *Buying Rolling Stock & Complying with Buy America*[N]; *Sustainability - The Cost of Going Green*; *Surviving the Triennial Review - the Transit Agency's Perspective*; and most recently, *A Commentary on the FTA Handbook - Conducting Pre-Award and Post-Delivery Audits of Rolling Stock Procurements*. Serving on several APTA Committees, he is often called upon for his Buy America expertise and leadership to meet with or address his colleagues on Buy America topics.

Rigorous and Thorough Audits

As the Internal Auditor for Metro Transit, Mr. Policar has developed a unique set of skills, tools and experience that help make him exceptionally well-qualified as a Buy America auditor. In that role, Steve Policar has been and remains steeped in cost analysis in support of rolling stock procurements. The insight developed through the continuing examination and evaluation of the costs involved in producing transit vehicles translates directly to the cost analysis work demanded by the Buy America Audit. This experience provides a deeper understanding of the details of foreign and domestic material costs, component and subcomponent costs, labor costs, overhead, design and engineering costs, warranty, QA, NREs and profit. These skills provide a distinct edge and make Mr. Policar a superior, more astute Buy America auditor. His experience in auditing and cost analysis sharpens his acumen and strengthens his capabilities. As the TVM's scramble to push their domestic content to 65% and 70%, these valuable capabilities play an increasingly crucial role in the Buy America audit.

Teacher and Trainer

Mr. Policar is adjunct faculty at Rutgers University teaching transit procurement series courses to transit agency staff for the National Transit Institute. Previously, he was adjunct faculty, teaching graduate level at Seattle University, and undergraduate level at City University, Seattle Pacific University and Western Washington University. Subject areas included public budgeting, auditing, business communications, financial analysis and program management.



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BUY AMERICA PRE-AWARD AUDIT SCOPE of WORK

OBJECTIVE

The objective of the Buy America Pre-Award Audit is to determine whether the proposed transit buses to be built by the Transit Vehicle Manufacturer comply with the applicable FTA Buy America Pre-Award Requirements for rolling stock procurements.

SCOPE

The scope of the Buy America Pre-Award Audit includes:

- ❑ A review of the Buy America Certificate of Compliance, as filed by the transit vehicle manufacturer, NEW FLYER of AMERICA, Inc., to determine compliance with 49 CFR 661.12.
- ❑ A review of the Domestic Content Compliance Worksheet - the transit vehicle manufacturer's listing of transit vehicle components, subcomponents, country of origin and US manufacturing location including city and state, to verify that the transit vehicles contain more than 65% domestic content, and to determine compliance with 49 CFR 661.
- ❑ A review of the components listed on the Domestic Content Compliance Worksheet to determine compliance with 49 CFR 661.11 - Appendix C.
- ❑ A review of the proposed final assembly location to determine that final assembly will take place in the USA.
- ❑ A review of the list of proposed final assembly activities to ensure that such activities qualify as final assembly activities as defined by the FTA.
- ❑ A review of the transit vehicle manufacturer's estimated cost of final assembly.
- ❑ An on-site visit to the transit vehicle manufacturer's US bus manufacturing facilities in Crookston, Minnesota to examine the records necessary to substantiate that the cost of components produced in the United States comprise more than 65% of the cost of all the components included in the transit vehicles to be purchased.
- ❑ An on-site visit to the transit vehicle manufacturer's assembly plant in Crookston, Minnesota to observe the proposed site of the final assembly location, the vehicle final assembly process, and final assembly activities, and to determine that final assembly will take place in the USA.
- ❑ A review and analysis of Buy America certificates obtained by the transit vehicle manufacturer, NEW FLYER of AMERICA, Inc. from component suppliers to support representations made by the transit vehicle manufacturer regarding country of origin and domestic content of components and subcomponents included in the Domestic Content Compliance Worksheet.



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BUY AMERICA PRE-AWARD AUDIT SCOPE of WORK

DELIVERABLE

The consultant will provide a Buy America Pre-Award Audit Report that will conclude with a statement of whether or not the subject vehicles to be purchased from New Flyer of America comply with Buy America Pre-Award requirements.

Recipient's Buy America Certificates

The Recipient's Buy America certificates are excluded from this proposed scope of work. The City of Albuquerque, the FTA grant recipient (grantee), is required to complete, sign and retain three Buy America Pre-Award certifications relevant to the purchase of the New Flyer 60ft buses:

1. Buy America Audit Certificate;
2. FMVSS Certificate; and
3. Purchaser's Requirements Certificate - This requires three key elements:
 - a. Comparison of the transit vehicle manufacturer's proposed specifications to the Transit Authority's specifications to ensure that the buses to be built will comply with Transit Authority's requirements;
 - b. Analysis of the transit vehicle manufacturer's technical capability; and
 - c. Analysis of the transit vehicle manufacturer's financial resources.

The Recipient's Buy America Pre-Award Certificates Certificate are the responsibility of the Recipient, and accordingly, are not part of the scope of the Buy America Pre-Award audit to be conducted by STEVE POLICAR LLC.



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BUY AMERICA POST-DELIVERY AUDIT

SCOPE of WORK

OBJECTIVE

The objective of the Buy America Post-Delivery Audit is to determine whether the actual transit buses as built by the Transit Vehicle Manufacturer comply with the applicable FTA Buy America Post-Delivery Requirements for rolling stock procurements.

SCOPE

The scope of the Buy America Post-Delivery Audit includes:

- ❑ A review of the Buy America Certificate of Compliance, as filed by the transit vehicle manufacturer, NEW FLYER of AMERICA, Inc., to determine compliance with 49 CFR 661.12.
- ❑ A review of the Domestic Content Compliance Worksheet - the transit vehicle manufacturer's listing of transit vehicle components, subcomponents, country of origin, and US manufacturing location including city and state, to verify that the transit vehicles contain more than 65% domestic content, and to determine compliance with 49 CFR 661.
- ❑ A review of the components listed on the Domestic Content Compliance Worksheet to determine compliance with 49 CFR 661.11 - Appendix C.
- ❑ A review of the actual final assembly location to determine that final assembly actually takes place in the USA.
- ❑ A review of the list of actual final assembly activities to ensure that such activities qualify as final assembly activities as defined by the FTA.
- ❑ A review of the transit vehicle manufacturer's reported cost of final assembly.
- ❑ An on-site visit to the transit vehicle manufacturer's US bus manufacturing facilities in Crookston, Minnesota to examine the records necessary to substantiate that the cost of components produced in the United States comprised more than 65% of the cost of all the components included in the transit vehicles purchased.
- ❑ An on-site visit to the transit vehicle manufacturer's assembly plant in Crookston, Minnesota to observe the actual site of the final assembly location, the transit vehicle final assembly process, final assembly activities, and to determine that final assembly takes place in the USA.
- ❑ A review and analysis of Buy America certificates obtained by NEW FLYER of AMERICA, Inc. from component suppliers to support representations made by the transit vehicle manufacturer regarding country of origin and domestic



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BUY AMERICA POST-DELIVERY AUDIT SCOPE of WORK

content of components and subcomponents included in the Domestic Content Compliance Worksheet.

Recipient's Buy America Certificates

The Recipient's Buy America certificates are excluded from this proposed scope of work. The City of Albuquerque, the FTA grant recipient (grantee), is required to complete, sign and retain three Buy America Post-Delivery certifications relevant to the purchase of the ten New Flyer 60ft buses:

1. Buy America Audit Certificate;
2. FMVSS Certificate; and
3. Purchaser's Requirements Certificate. This requires the following key elements:
 - a. Comparison of the transit vehicle manufacturer's as-built specifications to the Transit Authority's specifications to ensure that the buses as built comply with Transit Authority's requirements; and
 - b. Documentation that demonstrates the Recipient completed visual inspections and road tests of each transit vehicle

The Recipient's Buy America Post-Delivery Certificates are the responsibility of the Recipient, and accordingly, are not part of the scope of the Buy America Post-Delivery audit to be conducted by STEVE POLICAR LLC.



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**TIMEFRAME for COMPLETION
of BUY AMERICA PRE-AWARD AUDIT REPORT**

The firm of STEVE POLICAR LLC is immediately available to conduct the Buy America Pre-Award Audit of the New Flyer Xcelsior XD60 bus to be built at the New Flyer Crookston facility. Field work can begin the week of August 19 or the week of August 26. The Buy America Pre-Award Audit Report will be completed on or before September 14, 2018.

NOTE: *All dates listed above are dependent upon New Flyer's audit readiness at the Crookston location, and the completeness of New Flyer's Buy America documentation including Supplier Certificates of Buy America compliance.*



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COST ESTIMATE for BUY AMERICA AUDITS

BUY AMERICA PRE-AWARD and POST-DELIVERY AUDITS

Fee for Audit Services	\$22,750
Expenses (Estimated)	<u>\$ 4,300</u>

Total Estimated Cost \$27,050

Fee for audit services is based on two separate on-site visits to the New Flyer of America final assembly plant located in Crookston, Minnesota, one visit for the Pre-Award audit and one for the Post-Delivery Audit. Fees are based on 100% of the site work/field work for each audit being completed at the Crookston location. If site work location is different, this cost estimate is subject to revision to accommodate any resulting increases in level of effort and/or travel and out-of-pocket expenses.

Expenses listed above are estimated for purposes of this proposal and allow for the cost of one site visit to Crookston, Minnesota for each audit. Expenses shall be billed and reimbursed based on actual expense. Expenses include all travel and out-of-pocket expenses incurred in connection with the performance of the scope of work, including but not limited to lodging, meals, airfares, taxi, tolls, and local transportation. Domestic air travel shall be on coach or economy class. Lodging and meals shall be based on federal GSA per diem rates; all other expenses shall be based on actual cost. International travel shall be based on US Department of State daily meal & lodging rates. Travel and out-of-pocket expenses are not included in the fee for services; and will be billed at cost without markup.

Additional Work Any additional work required by the client that is outside the scope of work outlined for one Buy America Pre-Award Audit and one Buy America Post-delivery Audit will be billed at \$175 per hour.



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