1.0 PURPOSE

The purpose of this Oversight Procedure is to describe the review, analysis and recommendation procedures and reporting requirements that the Federal Transit Administration (FTA) expects from the Project Management Oversight Contractor (PMOC) as regards the project’s readiness for recommendation of a Full Funding Grant Agreement (FFGA) or Small Starts Grant Agreement (SSGA).

2.0 BACKGROUND

An FFGA/SSGA is a contract between the Project Sponsor and FTA. It details the rights and obligations of both parties relative to the project scope, budget, schedule, funding, and other terms. Because of the importance and the binding nature of the FFGA/SSGA, FTA requires a final review of the Project Sponsor’s readiness to enter into a FFGA/SSGA (or to amend an FFGA/SSGA). Execution of a FFGA/SSGA is the final step in FTA’s approval of a project for implementation. Review of the Project Sponsor’s readiness is part of FTA’s due diligence review prior to execution or modification of the FFGA/SSGA, and protects FTA’s interests by providing a final check that all of the required predecessor activities have been satisfactorily completed and required project resources are available.

Essentially the FFGA readiness review, for all new starts projects is an “update” of prior reviews and risk assessments performed at entry to Engineering, and possibly again during Engineering.

- The PMOC should notify FTA of elements that need attention by the Project Sponsor in order for the PMOC to attest to the readiness of the project for an FFGA/SSGA.
- At this state of the project all issues must have been addressed to the satisfaction of FTA, if not a plan of action satisfactory to FTA must be in place to address the issues.

The Project Management Oversight Contractor (PMOC) report that is a product of the readiness review becomes part of the package provided to Congress in conjunction with Congressional review of the proposed FFGA/SSGA.

3.0 OBJECTIVES

The objective of the readiness review to execute or amend a FFGA/SSGA is to confirm that:

- All technical aspects of the FFGA/SSGA are complete and accurate,
- All required plans and analysis have been satisfactorily prepared and implemented to the extent necessary, plus
- The FFGA/SSGA attachments accurately represent the project’s Scope, Schedule and Costs.
4.0 REFERENCES

The following are the principal, but by no means the only, references to Federal legislation, codification, regulation and guidance with which the PMOC should review and develop a solid understanding as related to the Project Sponsor’s project work under review for this OP:

4.1 Legislative
- Surface Transportation and Uniform Relocation Assistance Act of 1987, P.L. 100-17
- The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, or SAFETEA-LU, Pub. L. 109-59
- Moving Ahead for Progress in the 21st Century, or MAP-21, P.L. 112-141

4.2 United States Code
- FTA enabling statutes, 49 U.S.C. Chapter 53, Section 5327

4.3 Regulations
- Project Management Oversight, 49 C.F.R. Part 633
- Major Capital Investment Projects, 49 C.F.R. Part 611
- Joint FTA/FHWA regulations, Metropolitan Planning, 23 C.F.R. Part 450
- Joint FTA/FHWA regulations, Environmental Impact and Related Procedures, 23 C.F.R. Part 771
- U.S. DOT regulation, Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs, 49 C.F.R. Part 24

4.4 FTA Circulars
- C4220.1F, Third Party Contracting Requirements
- C5010.1D, Grant Management Guidelines
- FTA Master Agreement
- C5800.1, Safety and Security Management Plan

4.5 Guidance
- Reporting Instructions for the Section 5309 New Starts Criteria
- Interim Guidance on Design-Build
- Quality Assurance and Quality Control Guidelines
- Project and Construction Management Guidelines
- Value Engineering Process Overview, January 1998

5.0 PROJECT SPONSOR’S SUBMITTALS

In advance of performing the review, the PMOC should obtain and study the following project documents. A more exhaustive list is identified in Appendix B of this OP. The PMOC should notify FTA of important discrepancies in the project information that would hinder the review. An example would be a mismatch between drawings and cost estimate in which the drawings are current and the cost estimate is two years old.
• Scope / Project Definition
  o Final environmental documents and NEPA determination
  o Basis of Design Reports, Design Criteria Reports
  o Engineering Project Plans, Drawings, Design Criteria, Standards and Specifications
  o Master Permitting Plan and Schedule
  o Geotechnical Baseline Report
  o Passenger Level Boarding Design documents
  o Vehicle design documentation
  o Transit Capacity and Operating Plan
• Project Management Plan and sub-plans completed including but not limited to:
  o Signed Agreements with Railroads, Utilities, other Third Parties
  o Risk Assessment, Risk and Contingency Management Plan
  o Project Delivery Plan, Contract Packaging Plan, Procurement Policies and Procedures
  o Project Sponsor Management Capacity and Capability
  o Update of RAMP as needed
• Schedule
  o Project schedule in original and SCC format; schedule narrative describing critical path, expected durations, and logic
• Cost
  o Summary of O&M Cost Assumptions/Productivities
  o Capital cost estimate in original and SCC format
  o Before and After Study Documentation (if study is required)
• FFGA/SSGA Attachments on Scope of Project, Project Description, Baseline Cost Estimate, Project Budget, Baseline Project Schedule

6.0 SCOPE OF WORK

With the exception of the FFGA/SSGA attachments, all of the Project Sponsor submittals noted in Section 5.0 and Appendix B of this OP should have been previously reviewed by the PMOC prior to final preparation for the FFGA/SSGA, and any deficiencies found as a result of those reviews should have been reconciled and corrected with the Project Sponsor. The scope of this procedure is to confirm that all of the documentation and analysis remains satisfactory and that there is consistency between the project documents and the proposed FFGA/SSGA. It is the responsibility of the PMOC to notify FTA of any deficiencies prior to the preparation of the OP 52 report.

Qualifications of Reviewers – To the extent possible, the reviewers should be same individuals that performed the prior review of the project documents, and should be regular participants in project reviews.

The review effort should consist of the following:

1) Referring to the most current versions of the Project Sponsor submittals, the PMOC shall update previous reviews of Project Scope, Schedule, Cost, Risk, Project Sponsor Management Capacity and Capability and the PMP.
   a) The deficiencies found as a result of those reviews should be reconciled and corrected with the Project Sponsor prior to preparation of the OP 52 report;
2) Prior to the Project Sponsor’s formal request to FTA for an FFGA/SSGA, the PMOC should complete its review and submit to FTA a recommendation of the project for funding. This recommendation should be included in the executive summary as described below;

3) The PMOC’s readiness report shall (Appendix C provides a sample Table of Contents):
   a) Integrate the findings and recommendations of the reviews above;
   b) Include an executive summary in three pages or less that includes the following:
      i) Synthesis of findings on scope, schedule, and cost;
      ii) Professional opinion regarding the reliability of the project scope, schedule and cost and the ability of the project sponsor to manage the project;
      iii) Statement of potential range of cost (lower, upper bound and most likely);
      iv) Recommendation (if PMOC considers a recommendation appropriate) of the project to FTA for funding based on the PMOC’s finding that the project is accurately represented by the total project cost, scope description, and schedule, shown in draft attachments; and that the project has a high likelihood of staying within budget and schedule through construction and into revenue operations;
   c) Document the assessment methodology;
   d) Provide back-up information in appendices.

4) Another task is the PMOC’s review of the FFGA/SSGA attachments to assure that they accurately represent the project scope, cost and schedule.

7.0 REPORT, PRESENTATION, RECONCILIATION

The PMOC shall provide FTA with a written report limited to 20 pages that summarizes its findings, analysis, recommendations, professional opinions, and a description of the review activities undertaken. After FTA approval, the PMOC should share the report with the Project Sponsor. In the event that differences of opinion exist between the PMOC and the Project Sponsor regarding the PMOC’s findings, the FTA may direct the PMOC to reconcile with the Project Sponsor and provide FTA with an updated report or addendum covering the agreed modifications by the Project Sponsor and PMOC.

The report formatting requirements of OP 01 apply. When necessary, PMOC shall perform data analysis and develop data models that meet FTA requirements using Microsoft Office products such as Excel and Word and use FTA-templates when provided. The PMOC may add other software as required, but the PMOC shall make all documentation and report data available to FTA.