



U.S. Department of Transportation
Federal Transit Administration



Conducting Pre-Award and Post-Delivery Audits for Rolling Stock Procurements

Best Practices Handbook for Recipients, Auditors, Manufacturers, and Suppliers

Background

The Federal Transit Administration's objective in implementing 49 CFR part 661 – Buy America Requirements and 49 CFR part 663 – Pre-Award and Post-Delivery Audits of Rolling Stock Purchases is to support U.S. jobs and the U.S. manufacturing industry. As part of the federal grant application for any revenue service rolling stock grant, an agency that uses federal funds (recipient) to procure vehicles “must certify to FTA that it will conduct or cause to be conducted pre-award and post-delivery audits.” In 49 CFR part 663, additional requirements are imposed on recipients in terms of ensuring and documenting that the rolling stock to be purchased (pre-award audit) and the rolling stock received (post-delivery audit) comply with FTA's Buy America requirements.

Objectives

The purpose of this handbook is to assist recipients, auditors, rolling stock manufacturers (manufacturers), and subcontractors and suppliers (suppliers) in understanding and correctly applying FTA's pre-award and post-delivery audit requirements for rolling stock vehicle (vehicle) purchases. The overall aim of the handbook is to guide users through the necessary steps to meet both audit requirements and to bring greater uniformity to the way the industry conducts and documents pre-award and post-delivery audits of rolling stock purchases. In 1995, FTA published two separate handbooks on this subject, one for rail vehicles and one for buses. This handbook replaces both of those documents.

Findings and Conclusions

This handbook guides users through the necessary steps to meet the pre-award audit and post-delivery audit requirements of Buy America in an effort to bring greater uniformity to the way the industry conducts and documents pre-award and post-delivery audits of rolling stock purchases.

FTA's Buy America requirements apply to third-party procurements by FTA grant recipients and are set forth in 49 CFR part 661 – Buy America Requirements and 49 CFR part 663 – Pre-Award and Post-Delivery Audits of Rolling Stock Purchases. As a condition of receiving FTA grant funds for the purchase of rolling stock, recipients must certify compliance with Buy America and the pre-award and post-delivery audit requirements.

Recipients purchasing vehicles must ensure that a pre-award audit is completed before the recipient enters into a formal contract to purchase vehicles; they must also ensure that a post-delivery audit is completed before the title to the vehicle is transferred to them or before the rolling stock is placed in revenue service, whichever comes first.

This handbook describes approaches and recommends processes for recipients to consider in preparing to conduct pre-award and post-delivery vehicle audits, from the solicitation phase through the final acceptance of vehicles. It also includes examples of how to calculate domestic content and verify and document compliance for all participating parties.

The handbook is designed as a reference tool and a guide that includes recommendations on auditing and compliance topics and provides examples as well as sample forms and templates. Also included are answers to frequently asked questions, checklists, certificates and forms, and sample Buy America audit reports.

Benefits

This handbook guides users through the necessary steps to meet the pre-award audit and post-delivery audit requirements. The FTA website at <https://www.transit.dot.gov/buyamerica> has links to the regulations, relevant *Federal Register* publications, waivers, letters of interpretation, and related Dear Colleague letters. This handbook will help bring greater uniformity to the way the industry conducts and documents pre-award and post-delivery audits of rolling stock purchases.

Project Information

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This report was developed by the FTA Office of the General Counsel. For more information, contact Cecelia Comito at (202) 366-2217 or Cecelia.Comito@dot.gov. All FTA reports can be found at <https://www.transit.dot.gov/>.