

# Orange County Transportation Authority Internal Audit Department



## Independent Pre-Award Agreed-Upon Procedures Applied to New Flyer's Proposal for Forty 40-Foot Hydrogen Fuel Cell Buses

INTERNAL AUDIT REPORT NO. 24-517

June 11, 2024



**Audit Team:**

Jonathan Thompson, Internal Auditor *Jonathan Thompson*  
Ricco Bonelli, CIA, Principal Internal Auditor

**Distributed to:**

Georgia Martinez, Manager of Contract Administration and Procurement  
Monique Touch, Senior Contract Administrator

**Orange County Transportation Authority  
Independent Pre-Award Agreed-Upon Procedures Applied to  
New Flyer's Proposal for Forty 40-Foot Hydrogen Fuel Cell Buses  
June 11, 2024**

**Table of Contents**

Independent Auditor Report .....	1
Pre-Award Buy America Compliance Certification .....	3
Pre-Award Federal Motor Vehicle Safety Standards Compliance Certification .....	4
FMVSS - Self-Certification Information.....	5
Buy America Calculation - Schedule of Verified Components.....	6

**Orange County Transportation Authority**  
**Independent Pre-Award Agreed-Upon Procedures Applied to**  
**New Flyer's Proposal for Forty 40-Foot Hydrogen Fuel Cell Buses**  
**June 11, 2024**

## **Independent Auditor Report**

The Internal Audit Department (Internal Audit) of the Orange County Transportation Authority (OCTA) has performed the procedures enumerated below on the vehicles proposed to be manufactured by New Flyer (Manufacturer) related to Requisition No. 32936. The Manufacturer is responsible for the list of components for the rolling stock being purchased, including their origin, cost, and supporting cost documentation; the final assembly location and a listing of final assembly activities; and other Buy America compliance documentation.

A recipient purchasing revenue service rolling stock with Federal Transit Administration (FTA) funds must ensure that a pre-award audit under Title 49 Code of Federal Regulations (CFR) § 663 is complete before the recipient enters into a formal contract for the purchase of such rolling stock.

The Contracts Administration and Materials Management (CAMM) Department has agreed to, and acknowledged, that the procedures performed are appropriate to meet the intended purpose of ensuring that the proposed buses comply with Federal Buy America requirements. The agreed-upon procedures (AUP) are based on recommended procedures outlined in the FTA handbook, *Conducting Pre-Award and Post-Delivery Audits for Rolling Stock Procurements*. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Internal Audit was engaged by CAMM to perform this AUP engagement. Internal Audit conducted the AUP engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and Generally Accepted Government Auditing Standards. Internal Audit was not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records and compliance with the provisions of Federal Buy America requirements. Accordingly, Internal Audit does not express such an opinion or conclusion. Had Internal Audit performed additional procedures, other matters might have come to our attention that would have been reported to you.

Internal Audit is required to be independent of the Manufacturer and CAMM, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our AUP engagement.

The purpose of this report is to present the results of the procedures applied, and it is not suitable for any other purpose. This report is intended solely for the information and use of the CAMM Department of the Orange County Transportation Authority and is not intended to be, and should not be, used by anyone other than this specified party.

**Orange County Transportation Authority  
Independent Pre-Award Agreed-Upon Procedures Applied to  
New Flyer's Proposal for Forty 40-Foot Hydrogen Fuel Cell Buses  
June 11, 2024**

The procedures and results are as follows:

***70 Percent Domestic Requirement***

Procedures: Internal Audit:

- Obtained the complete component listing of the proposed buses documenting the individual cost of each component and the total United States (U.S.) domestic percentage of the total vehicle cost from the Manufacturer.
- Agreed cost for 49 components and related subcomponents representing at least 70 percent of the total U.S. domestic cost of the vehicle to recent invoices and/or price quotations.
- For the components and related subcomponents selected above, obtained from the supplier a signed Buy America Certification or a detailed listing identifying each subcomponent's country of origin and percentage of cost.

Results: Internal Audit calculated a U.S. domestic content of 71.63 percent from 49 components and related subcomponents, as defined under Title 49 CFR § 661. See Schedule of Verified Components.

***Final Assembly in the United States***

Procedures: Internal Audit:

- Identified the proposed final assembly location from documentation provided by the Manufacturer and confirmed that the proposed final assembly location is in the U.S.
- Compared the list of final assembly activities provided by the Manufacturer to the list of activities that qualify as final assembly activities per the FTA Handbook and further described in Appendix D to Title 49 CFR § 661.11 "Minimum Requirements for Final Assembly".

Results: The proposed final assembly location is in the U.S. and the list of proposed final assembly activities qualify as final assembly activities, as described in Appendix D to Title 49 CFR § 661.11.

***FMVSS Compliance Certification***

Procedures: Requested a copy of the Manufacturer's self-certification information stating that the proposed vehicles will comply with the relevant Federal Motor Vehicle Safety Standards (FMVSS) issued by the National Highway Traffic Safety Administration in Title 49 CFR § 571.

Results: Internal Audit obtained the required FMVSS Self-Certification from the Manufacturer.

## Pre-Award Buy America Compliance Certification

As required by Title 49 of the Code of Federal Regulations, Part 663 – Subpart B, the Orange County Transportation Authority is satisfied that the vehicles to be purchased, forty 40-foot Hydrogen Fuel Cell Buses from New Flyer meet the requirements of 49 United States Code 5323(j), as amended. The Orange County Transportation Authority's Internal Audit Department has reviewed documentation provided by the manufacturer, which lists (1) the proposed component and subcomponent parts of the vehicles identified by manufacturer, country of origin, and cost; and (2) the proposed location of the final assembly point for the vehicles, including a description of the activities that will take place at the final assembly point and the cost of final assembly.

Date: June 11, 2024

A handwritten signature in dark ink, appearing to read "Ricco Bonelli", written over a light blue horizontal line.

Signature: \_\_\_\_\_

Ricco Bonelli, CIA  
Principal Internal Auditor, Internal Audit  
Orange County Transportation Authority

## **Pre-Award Federal Motor Vehicle Safety Standards Compliance Certification**

As required by 49 Code of Federal Regulations (CFR) § 663 – Subpart D, the Orange County Transportation Authority certifies that it received, at the pre-award stage, a copy of New Flyer’s self-certification information stating that the buses, forty 40-foot Hydrogen Fuel Cell Buses, will comply with the relevant Federal Motor Vehicle Safety Standards issued by the National Highway Traffic Safety Administration in 49 CFR § 571.

Date: June 11, 2024

A handwritten signature in blue ink, appearing to read "Ricco Bonelli", written over a horizontal line.

Signature: \_\_\_\_\_  
Ricco Bonelli, CIA  
Principal Internal Auditor, Internal Audit  
Orange County Transportation Authority



May 10, 2024

**PRE-AWARD**

**FMVSS COMPLIANCE CERTIFICATION**

<b>Purchaser</b>	<b>:</b>	<b>Orange County Transportation Authority</b>
<b>Number of Buses</b>	<b>:</b>	<b>40</b>
<b>Description of Buses</b>	<b>:</b>	<b>XHE40</b>
<b>New Flyer Build No.</b>	<b>:</b>	<b>New Flyer Option # 2024-046</b>

As required by Title 49 of the CFR, Part 663 – Subpart D, New Flyer of America Inc., on its behalf and on the behalf of its affiliates, New Flyer Industries Canada ULC, certifies that the above described buses to be manufactured for the above purchaser will comply with the relevant Federal Motor Vehicle Safety Standards issued by the National Highway Traffic Safety Administration in Title 49 of the Code of Federal Regulations, Part 571.

**NEW FLYER OF AMERICA INC.**

By: \_\_\_\_\_

**Ian Macpherson**  
Vice President, Engineering Services

**BUY AMERICA CALCULATION  
SCHEDULE OF VERIFIED COMPONENTS**

<b>Vendor Name</b>	<b>Component / Subcomponent Description</b>	<b>Percentage of Total Cost</b>
MGM BRAKES	AIR, BRAKES & LEVELING SYSTEM	0.10%
IO KMG	BATTERY SYSTEM	6.46%
NEW FLYER OF AMERICA	BATTERY SYSTEM	11.77%
CARFAIR COMPOSITES USA INC	BODY APPLIED PARTS - INTERIOR	0.10%
ENGINEERED MACHINED PRODUCTS	COOLING SYSTEM	0.48%
MODINE MANUFACTURING	COOLING SYSTEM	2.54%
BYK RAK LLC	CUSTOMER OPTIONS	0.26%
KIDDE AEROSPACE TECHNOLOGIES	CUSTOMER OPTIONS	1.46%
MARCH NETWORKS CORPORATION	CUSTOMER OPTIONS	0.61%
CONDUENT TRANSPORT SOLUTIONS INC	DESTINATION SIGNS	1.53%
IO KMG	DESTINATION SIGNS	0.26%
LUMINATOR TECHNOLOGY GROUP	DESTINATION SIGNS	0.63%
VAPOR BUS INTERNATIONAL	DOORS	1.78%
KONGSBERG POWER PRODUCTS SYSTEMS I LLC	DRIVER'S CONTROLS	0.12%
IO KMG	ELECTRICAL HARNESSES	0.12%
BALLARD FUEL CELL SYSTEMS INC	ENGINE	15.05%
ARTIK OEM CORPORATION	FLOORING	0.34%
CARFAIR COMPOSITES USA INC	FLOORING	0.22%
MAN ENGINES AND COMPONENTS	FRONT SUSPENSION	0.42%
HEXAGON MASTERWORKS INC	FUEL SYSTEM	4.74%
SWAGELOK ALABAMA WEST TENNESSEE	FUEL SYSTEM	0.51%
WEH TECHNOLOGIES INC	FUEL SYSTEM	0.24%
METAL SOLUTIONS INC	HEATING & AIR CONDITIONING SYSTEMS	0.26%
THERMO KING LLC	HVAC SYSTEM	2.83%
IO KMG	INTERIOR LIGHTS	0.57%
BERENDSEN FLUID POWER	POWER STEERING	0.56%
MAN ENGINES AND COMPONENTS	REAR SUSPENSION	0.75%
MGM BRAKES	REAR SUSPENSION	0.12%
AROW GLOBAL CORP	SEATING & STANCHIONS	0.81%
UNITED SAFETY & SURVIVABILITY CORPORATION	SEATING & STANCHIONS	5.33%
IO KMG	SIDE CONSOLE & PANELS	1.61%
NEW FLYER OF AMERICA-CBS	STRUCTURES	5.54%
LIFT U INC	WHEELCHAIR RAMPS	0.84%
HOWMET AEROSPACE INC	WHEELS & TIRES	0.26%
AROW GLOBAL CORP	WINDOWS	2.40%
		<hr/>
		71.63%
		<hr/>