

**Orange County Transportation Authority
Internal Audit Department**



**Independent Pre-Award
Agreed-Upon Procedures Applied to
New Flyer's Proposal for
Ten 40-Foot Battery-Electric Buses**

INTERNAL AUDIT REPORT NO. 24-518

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 Contracts Administrator

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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. 32935. 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.

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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 322 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 70.17 percent from 322 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, ten 40-foot zero-emission battery-electric 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



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, ten 40-foot zero-emission battery-electric 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



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



May 13, 2024

PRE-AWARD

FMVSS COMPLIANCE CERTIFICATION

Purchaser : **Orange County Transportation Authority**
Number of Buses : **10**
Description of Buses : **XE40**
New Flyer Build No. : **New Flyer Option No. 2024-047**

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**

Vendor Name	Component / Subcomponent Description	Percentage of Total Cost
IO KMG	AIR, BRAKES & LEVELING SYSTEM	0.007%
JOHNSON WELDED PRODUCTS	AIR, BRAKES & LEVELING SYSTEM	0.087%
AMERICAN BATTERY SOLUTIONS	BATTERY SYSTEM	27.059%
DALSIN INDUSTRIES INC	BATTERY SYSTEM	0.181%
GENERAL PLASTICS INC	BATTERY SYSTEM	0.087%
IMECO CABLES AMERICA INC	BATTERY SYSTEM	0.172%
IO KMG	BATTERY SYSTEM	6.217%
JOHNSON WELDED PRODUCTS	BATTERY SYSTEM	0.036%
MACKOW INDUSTRIES INTERNATIONAL	BATTERY SYSTEM	0.086%
RITZ MACHINE WORKS USA LLC	BATTERY SYSTEM	0.341%
VANNER INC	BATTERY SYSTEM	0.048%
WESTBURNE ELECTRIC	BATTERY SYSTEM	0.001%
CARFAIR COMPOSITES USA INC	BODY APPLIED PARTS - EXTERIOR	0.065%
ROMEO RIM INC	BODY APPLIED PARTS - EXTERIOR	0.050%
SPRAGUE DEVICES	BODY APPLIED PARTS - EXTERIOR	0.052%
WESTBURNE ELECTRIC	BODY APPLIED PARTS - EXTERIOR	0.000%
ARTIK OEM CORPORATION	BODY APPLIED PARTS - EXTERIOR	0.075%
CARFAIR COMPOSITES USA INC	BODY APPLIED PARTS - EXTERIOR	0.361%
DALSIN INDUSTRIES INC	BODY APPLIED PARTS - EXTERIOR	0.021%
ELO ENGINEERING INC	BODY APPLIED PARTS - EXTERIOR	0.009%
GENERAL PLASTICS INC	BODY APPLIED PARTS - EXTERIOR	0.376%
IO KMG	BODY APPLIED PARTS - EXTERIOR	0.252%
PERFORATED METALS PLUS	BODY APPLIED PARTS - EXTERIOR	0.009%
ROMEO RIM INC	BUMPERS	0.214%
ENGINEERED MACHINED PRODUCTS	COOLING SYSTEM	0.374%
INTERSTATE ASSEMBLY SYSTEMS	COOLING SYSTEM	0.031%
IO KMG	COOLING SYSTEM	0.052%
METAL SOLUTIONS INC	COOLING SYSTEM	0.054%
MODINE MANUFACTURING	COOLING SYSTEM	1.140%
ORISKANY MFG TECHNOLOGIES	COOLING SYSTEM	0.096%
PARKER HANNIFIN CORPORATION	COOLING SYSTEM	0.017%
RITZ MACHINE WORKS USA LLC	COOLING SYSTEM	0.044%
BYK RAK LLC	CUSTOM EQUIPMENT	0.288%
INIT INNOVATIONS IN TRANSPORTATION INC	CUSTOM EQUIPMENT	0.100%
KIDDE AEROSPACE	CUSTOM EQUIPMENT	1.108%
MARCH NETWORKS CORPORATION	CUSTOM EQUIPMENT	0.677%
WESTBURNE ELECTRIC	CUSTOM EQUIPMENT	0.027%
CONDUENT TRANSPORT SOLUTIONS INC	DESTINATION SIGNS	1.697%
HANOVER DISPLAYS	DESTINATION SIGNS	0.097%
IO KMG	DESTINATION SIGNS	0.293%
LUMINATOR TECHNOLOGY GROUP INC	DESTINATION SIGNS	0.695%
S AND A SYSTEMS INC	DESTINATION SIGNS	0.131%
INDIANA MILLS & MANUFACTURING INC, DBA IMMI	DRIVER'S CONTROLS	0.011%
RH SHEPPARD CO INC	DRIVER'S CONTROLS	0.025%
IMECO CABLES AMERICA INC	ELECTRICAL HARNESSSES	0.033%
IO KMG	ELECTRICAL HARNESSSES	0.036%
WESTBURNE ELECTRIC	ELECTRICAL HARNESSSES	0.002%
VAPOR BUS INTERNATIONAL	DOORS	1.982%
CARFAIR COMPOSITES USA INC	EXTERIOR LIGHTS	0.009%
IO KMG	EXTERIOR LIGHTS	0.053%
JW SPEAKER CORPORATION	EXTERIOR LIGHTS	0.104%
ALTRO USA INC	FLOORING	0.198%
ARTIK OEM CORPORATION	FLOORING	0.391%
CARFAIR COMPOSITES USA INC	FLOORING	0.441%
FIRESTONE INDUSTRIAL PRODUCTS	FRONT SUSPENSION	0.019%

**BUY AMERICA CALCULATION
SCHEDULE OF VERIFIED COMPONENTS**

Vendor Name	Component / Subcomponent Description	Percentage of Total Cost
MAN ENGINES AND COMPONENTS	FRONT SUSPENSION	0.455%
MGM BRAKES	FRONT SUSPENSION	0.023%
RH SHEPPARD CO INC	FRONT SUSPENSION	0.068%
ROADMASTER INC	FRONT SUSPENSION	0.069%
ZF GAINESVILLE LLC	FRONT SUSPENSION	0.052%
WESTBURNE ELECTRIC	HARNES MOUNTING SUPPORTS	0.014%
AMETEK TECHNICAL INDUSTRIAL	HEATING & AIR CONDITIONING SYSTEMS	0.228%
ARTIK OEM CORPORATION	HEATING & AIR CONDITIONING SYSTEMS	0.007%
DALSIN INDUSTRIES INC	HEATING & AIR CONDITIONING SYSTEMS	0.025%
INTERSTATE ASSEMBLY SYSTEMS	HEATING & AIR CONDITIONING SYSTEMS	0.011%
IO KMG	HEATING & AIR CONDITIONING SYSTEMS	0.140%
JOHNSON WELDED PRODUCTS	HEATING & AIR CONDITIONING SYSTEMS	0.024%
ORISKANY MFG TECHNOLOGIES	HEATING & AIR CONDITIONING SYSTEMS	0.044%
POLAR BEAR RUBBER LTD	HEATING & AIR CONDITIONING SYSTEMS	0.010%
THERMO KING LLC	HEATING & AIR CONDITIONING SYSTEMS	3.135%
WESTBURNE ELECTRIC	HEATING & AIR CONDITIONING SYSTEMS	0.000%
IO KMG	INSTRUMENT PANEL & SWITCHES	0.182%
ARTIK OEM CORPORATION	INSULATION	0.111%
PERFORATED METALS PLUS	INSULATION	0.058%
ARTIK OEM CORPORATION	INTERIOR LIGHTS	0.063%
IO KMG	INTERIOR LIGHTS	0.770%
SAFE FLEET BUS AND RAIL	MIRRORS	0.166%
RADIO ENGINEERING IND INC	P.A. SYSTEM	0.008%
GENERAL PLASTICS INC	PASSENGER SIGNALS	0.009%
IMECO CABLES AMERICA INC	POWER CABLES	0.257%
IO KMG	POWER CABLES	0.135%
WESTBURNE ELECTRIC	POWER CABLES	0.002%
BERENDSEN FLUID POWER	POWER STEERING	0.623%
METAL SOLUTIONS INC	POWER STEERING	0.044%
WESTBURNE ELECTRIC	POWER STEERING	0.000%
ARTIK OEM CORPORATION	PROPULSION DRIVE	0.107%
IO KMG	PROPULSION DRIVE	0.017%
FIRESTONE INDUSTRIAL PRODUCTS	REAR SUSPENSION	0.038%
INTERSTATE ASSEMBLY SYSTEMS	REAR SUSPENSION	0.012%
IO KMG	REAR SUSPENSION	0.210%
MACKOW INDUSTRIES INTERNATIONAL	REAR SUSPENSION	0.028%
MAN ENGINES AND COMPONENTS	REAR SUSPENSION	0.817%
MGM BRAKES	REAR SUSPENSION	0.066%
ZF GAINESVILLE LLC	REAR SUSPENSION	0.065%
AROW GLOBAL CORP	SEATS, STANCHIONS, MODESTY PANELS	0.901%
IO KMG	SEATS, STANCHIONS, MODESTY PANELS	0.557%
ORISKANY MFG TECHNOLOGIES	SEATS, STANCHIONS, MODESTY PANELS	0.068%
UNITED SAFETY & SURVIVABILITY CORPORATION	SEATS, STANCHIONS, MODESTY PANELS	5.899%
IO KMG	SIDE CONSOLE & PANELS	1.794%
WESTBURNE ELECTRIC	SIDE CONSOLE & PANELS	0.001%
NEW FLYER OF AMERICA	STRUCTURES	3.705%
IO KMG	TAPPING PLATES	0.008%
IMECO CABLES AMERICA INC	WHEELCHAIR RAMPS	0.018%
IO KMG	WHEELCHAIR RAMPS	0.017%
HOWMET AEROSPACE INC	WHEELS & TIRES	0.369%
AROW GLOBAL CORP	WINDOWS	2.650%
CUSTOM GLASS SOLUTIONS LLC	WINDOWS	0.025%
POLAR BEAR RUBBER LTD	WINDOWS	0.031%
		70.167%