

Financial Management Oversight Program (FMO)



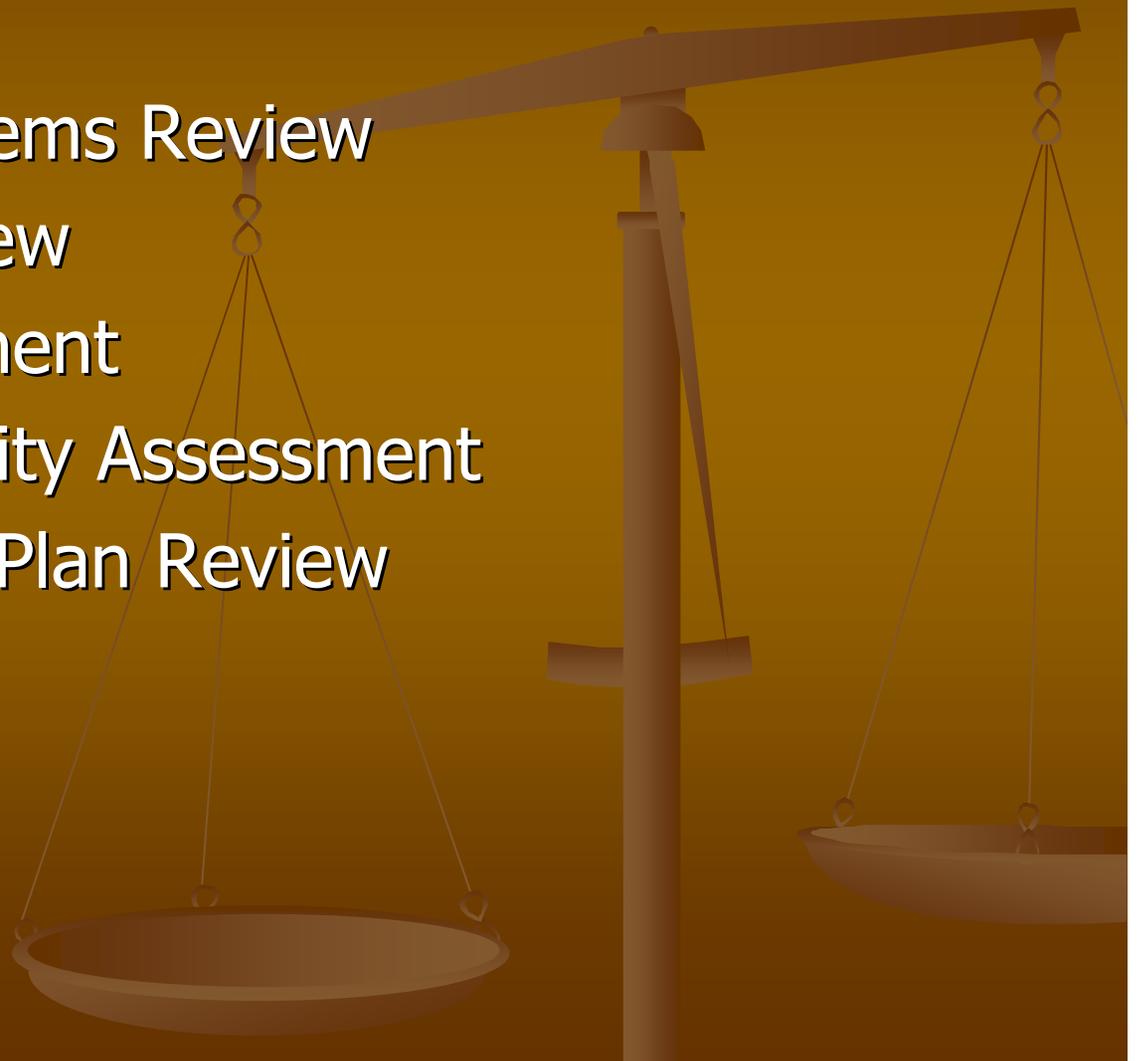
FMO Background

- Initiated – 1991
- Contractor-Assisted Program
- Follows Independent Professional Standards

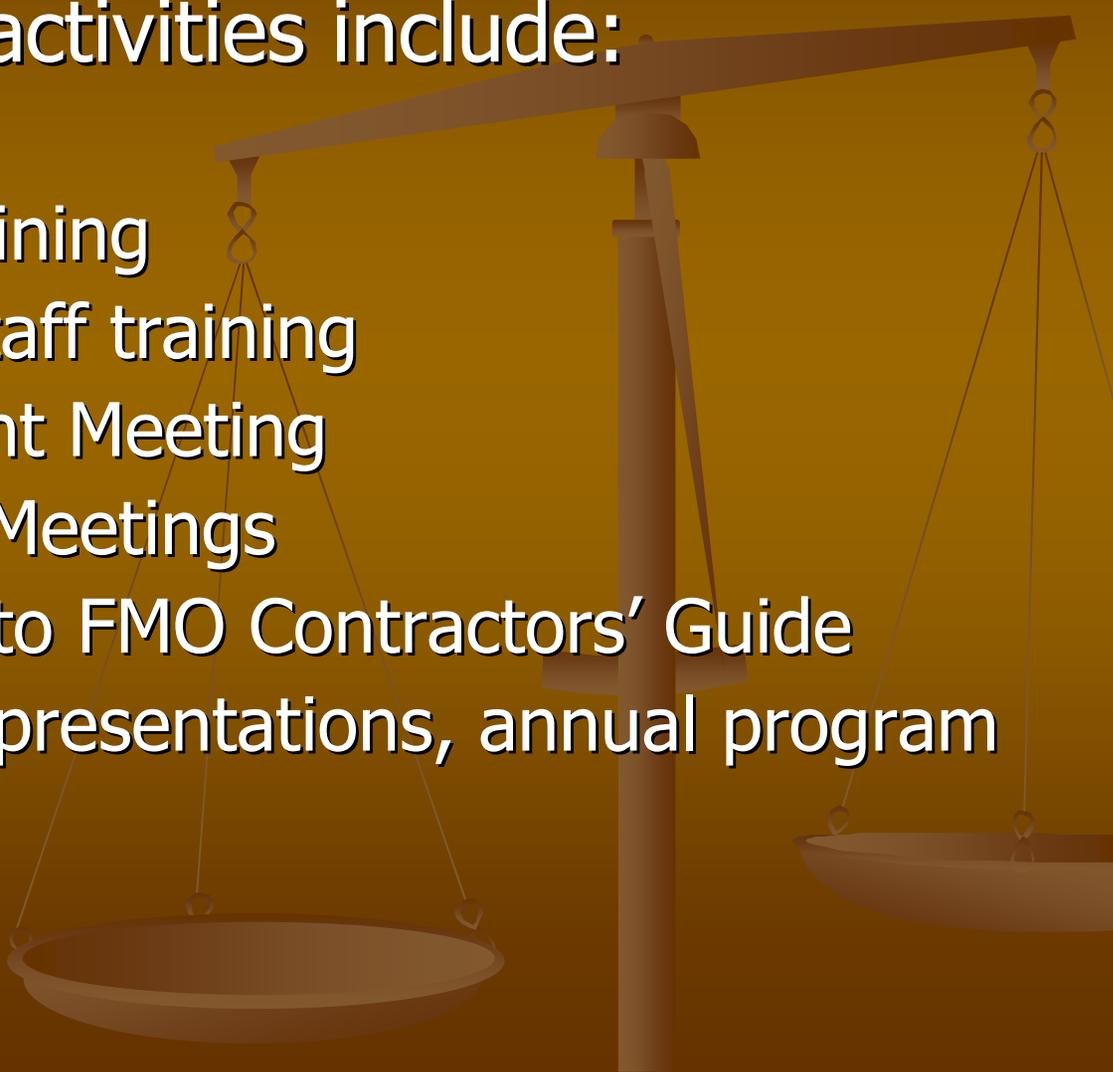


Type of FMO Reviews

- Full Scope Systems Review
- Follow-Up Review
- Special Assignment
- Financial Capacity Assessment
- Cost Allocation Plan Review

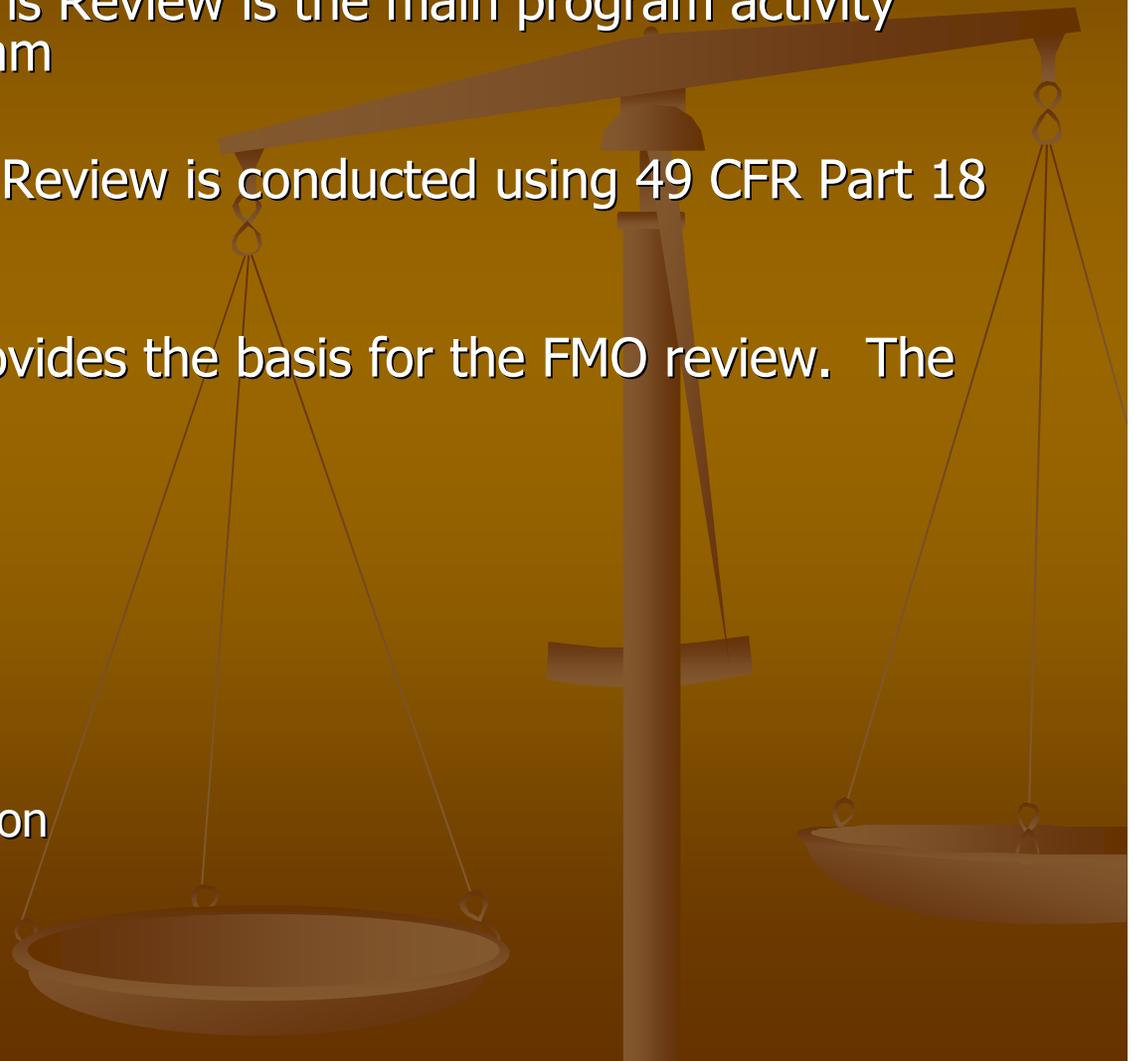


Other FMO Program Activities

- Other program activities include:
 - FMO seminars
 - Contractors Training
 - FTA/Regional staff training
 - Annual Oversight Meeting
 - Quarterly FMO Meetings
 - Annual Update to FMO Contractors' Guide
 - Participation in presentations, annual program analyses, etc.
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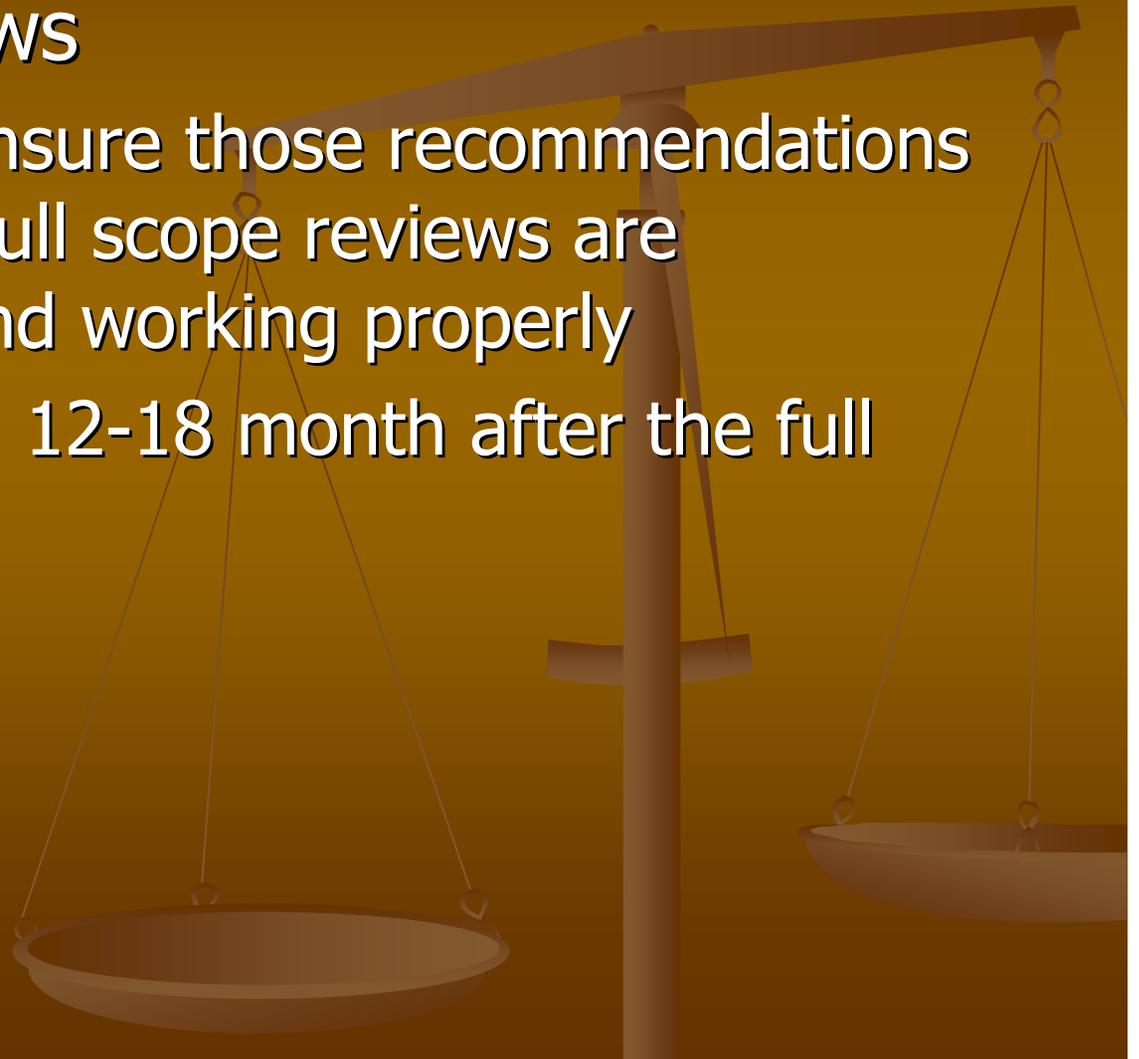
Types of FMO Reviews

- The Full Scope Systems Review is the main program activity under the FMO program
- A Full Scope Systems Review is conducted using 49 CFR Part 18 of the Common Rule.
- 49 CFR Part 18.20 provides the basis for the FMO review. The components include:
 - Financial Reporting
 - Accounting Records
 - Internal Control
 - Budget Control
 - Allowable Costs
 - Source Documentation
 - Cash Management



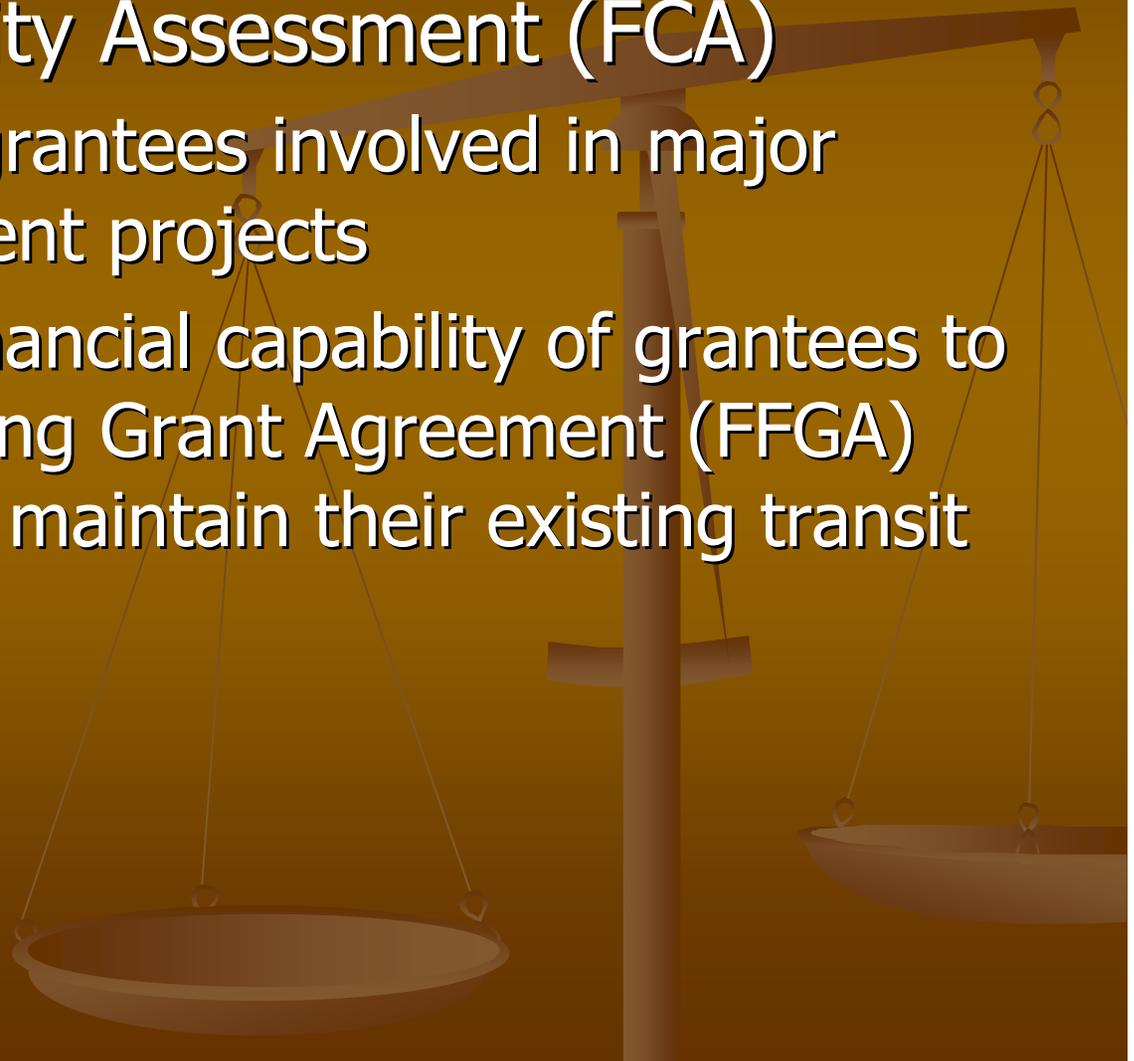
FMO Reviews – Follow up

- Follow-up reviews
 - performed to ensure those recommendations resulting from full scope reviews are implemented and working properly
 - occurs between 12-18 month after the full scope review



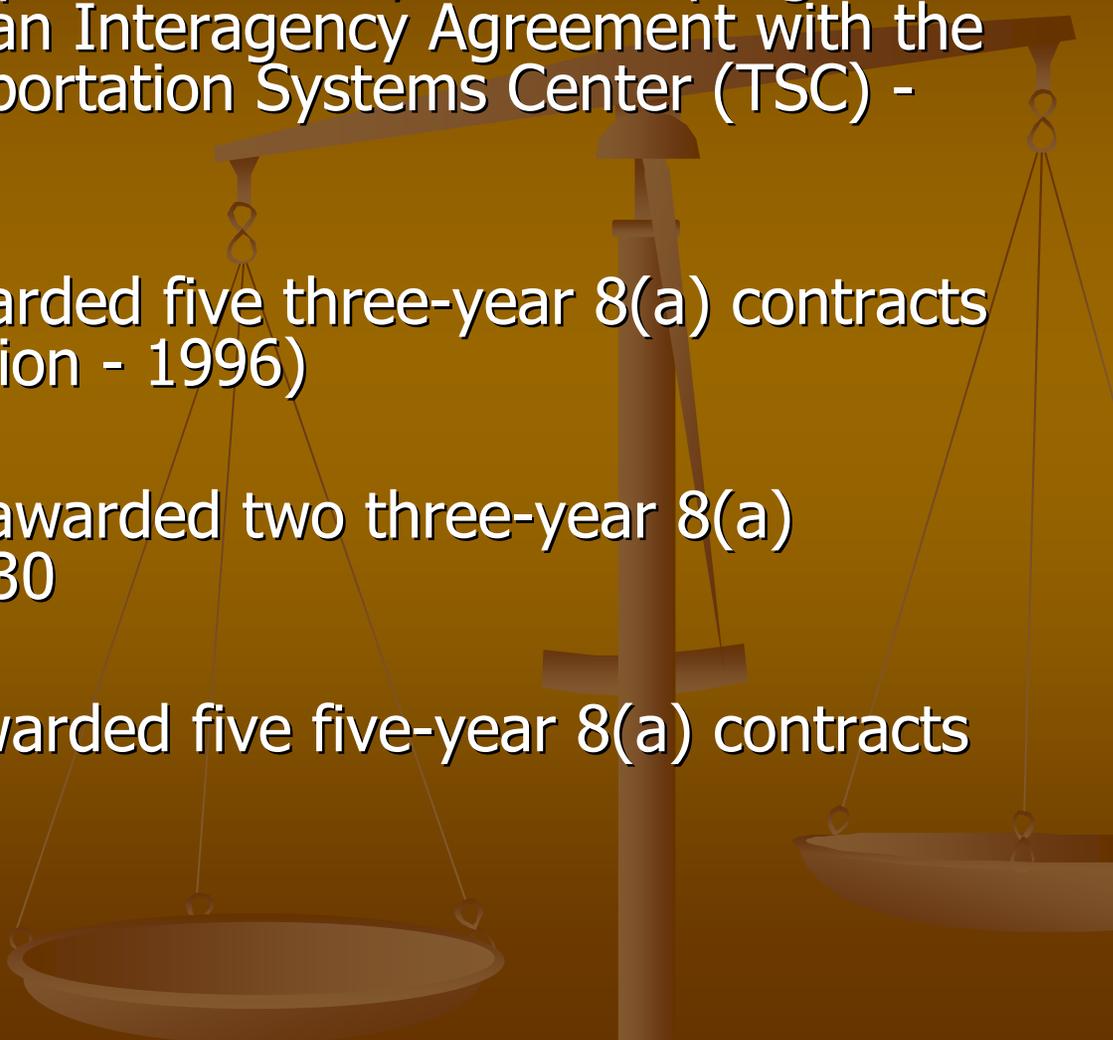
FMO Reviews – Financial Capacity

- Financial Capacity Assessment (FCA)
 - conducted for grantees involved in major capital investment projects
 - assesses the financial capability of grantees to meet Full Funding Grant Agreement (FFGA) obligations and maintain their existing transit operation



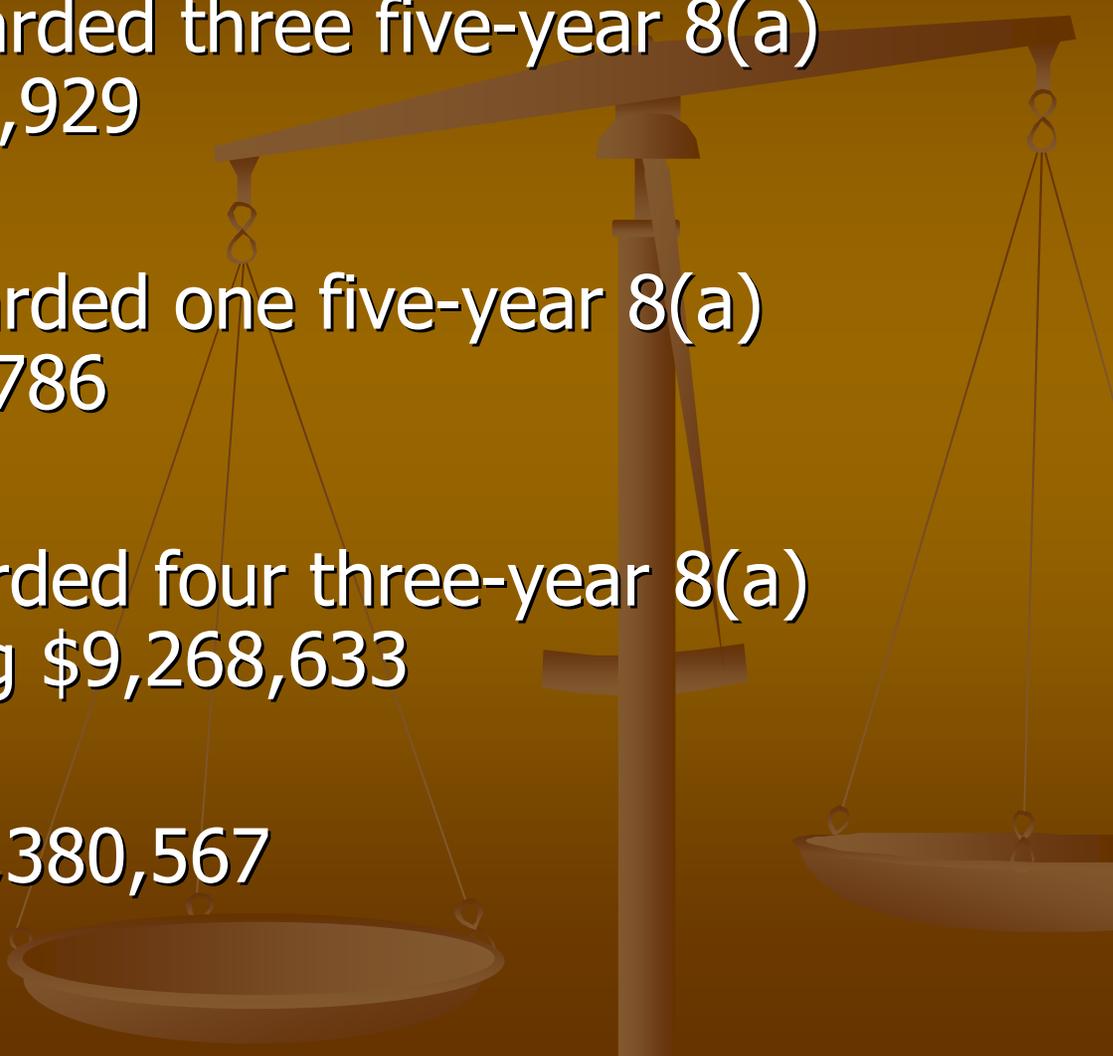
FTA

Historical Expenditures

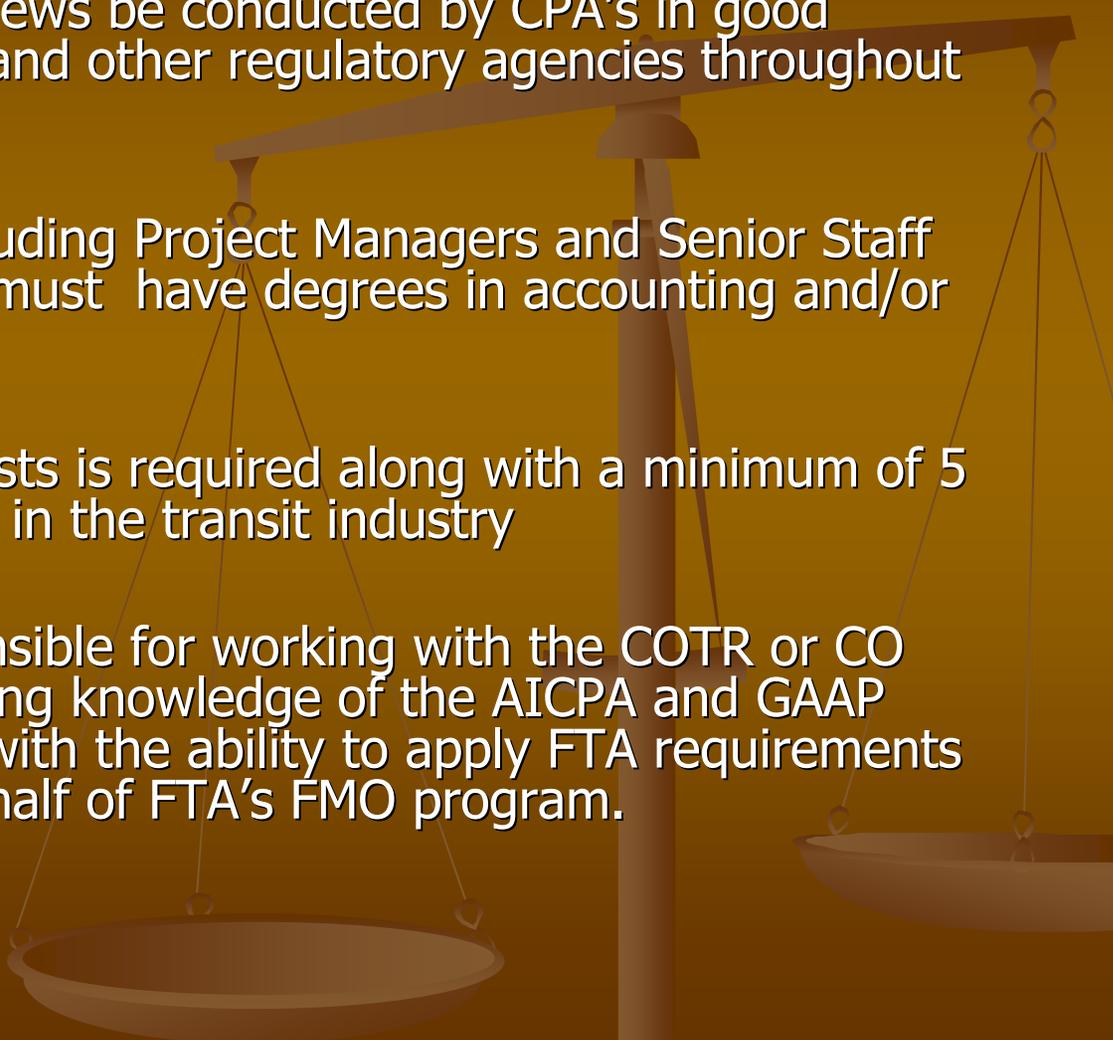
- July 1991 through September 1993, the FMO program was funded through an Interagency Agreement with the Volpe National Transportation Systems Center (TSC) - \$1,800,000
 - September 1993, awarded five three-year 8(a) contracts - \$3,688,875 (expiration - 1996)
 - In September 1995, awarded two three-year 8(a) contracts - \$4,214,230
 - In Spring of 1998, awarded five five-year 8(a) contracts - \$13,725,344
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FTA

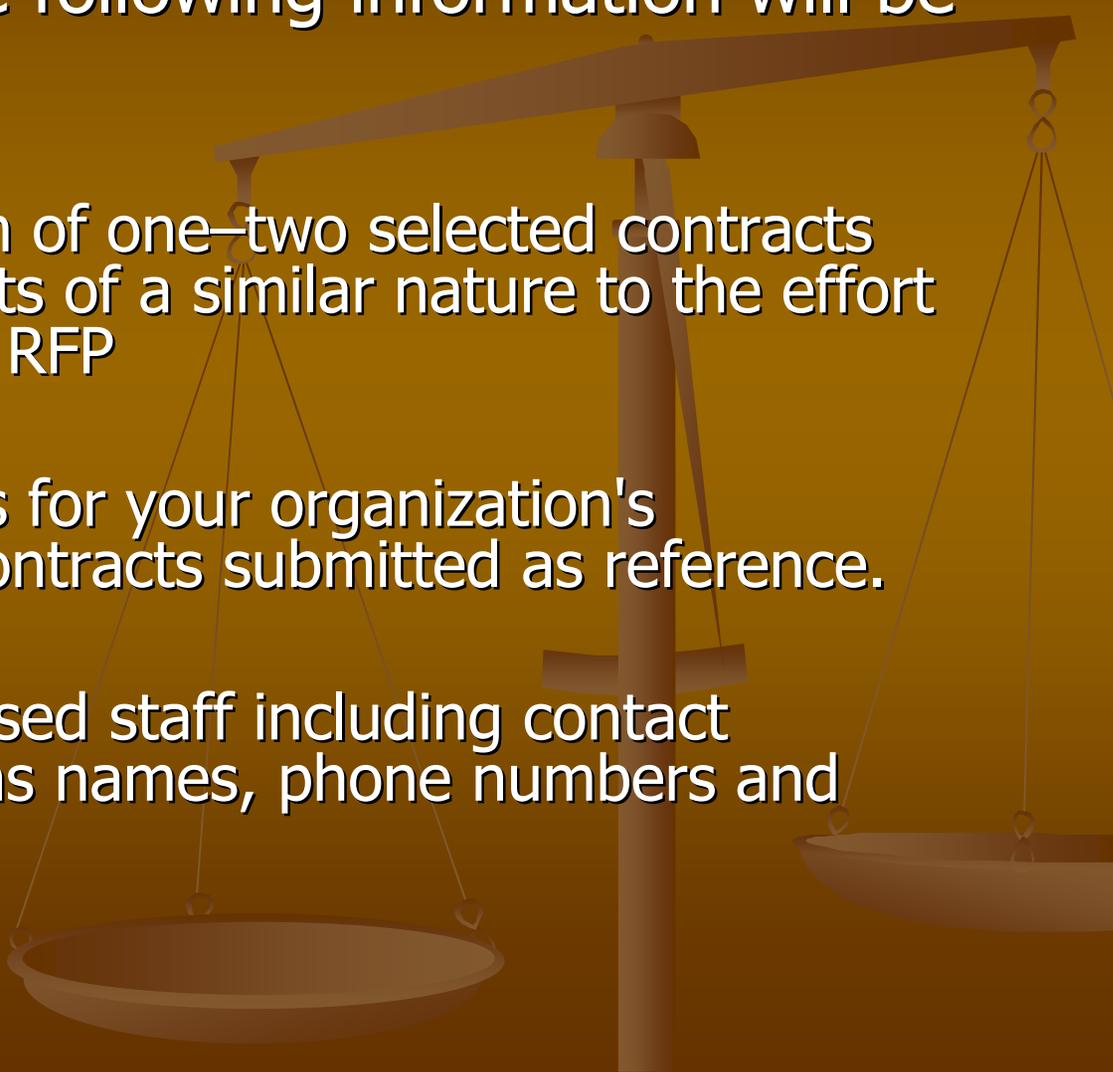
Historical Expenditures (Cont)

- In June 2001, awarded three five-year 8(a) contracts - \$8,948,929
 - In April 2005, awarded one five-year 8(a) contract - \$2,948,786
 - In July 2006, awarded four three-year 8(a) contracts - totaling \$9,268,633
 - Total award: \$40,380,567
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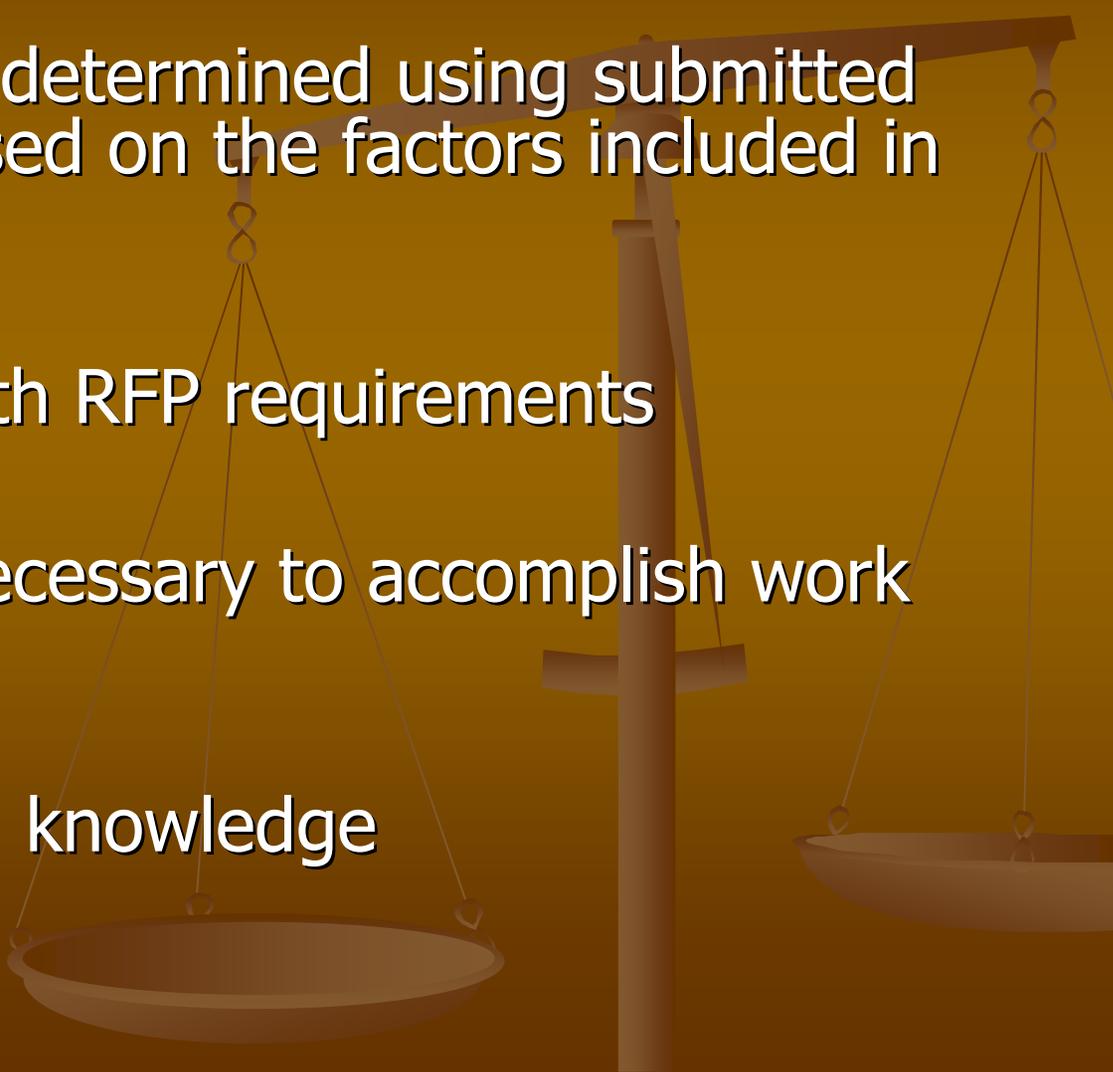
FMO Contractor Resource Requirements

- Requires the systems reviews be conducted by CPA's in good standing with the AICPA and other regulatory agencies throughout the life of the contract
 - Other staff resources including Project Managers and Senior Staff allocated to the contract must have degrees in accounting and/or be certified CPA's
 - For FCA, a financial analysts is required along with a minimum of 5 years experience working in the transit industry
 - The firms principal responsible for working with the COTR or CO must have a strong working knowledge of the AICPA and GAAP regulatory requirements with the ability to apply FTA requirements to work conducted on behalf of FTA's FMO program.
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Past Performance Requirements

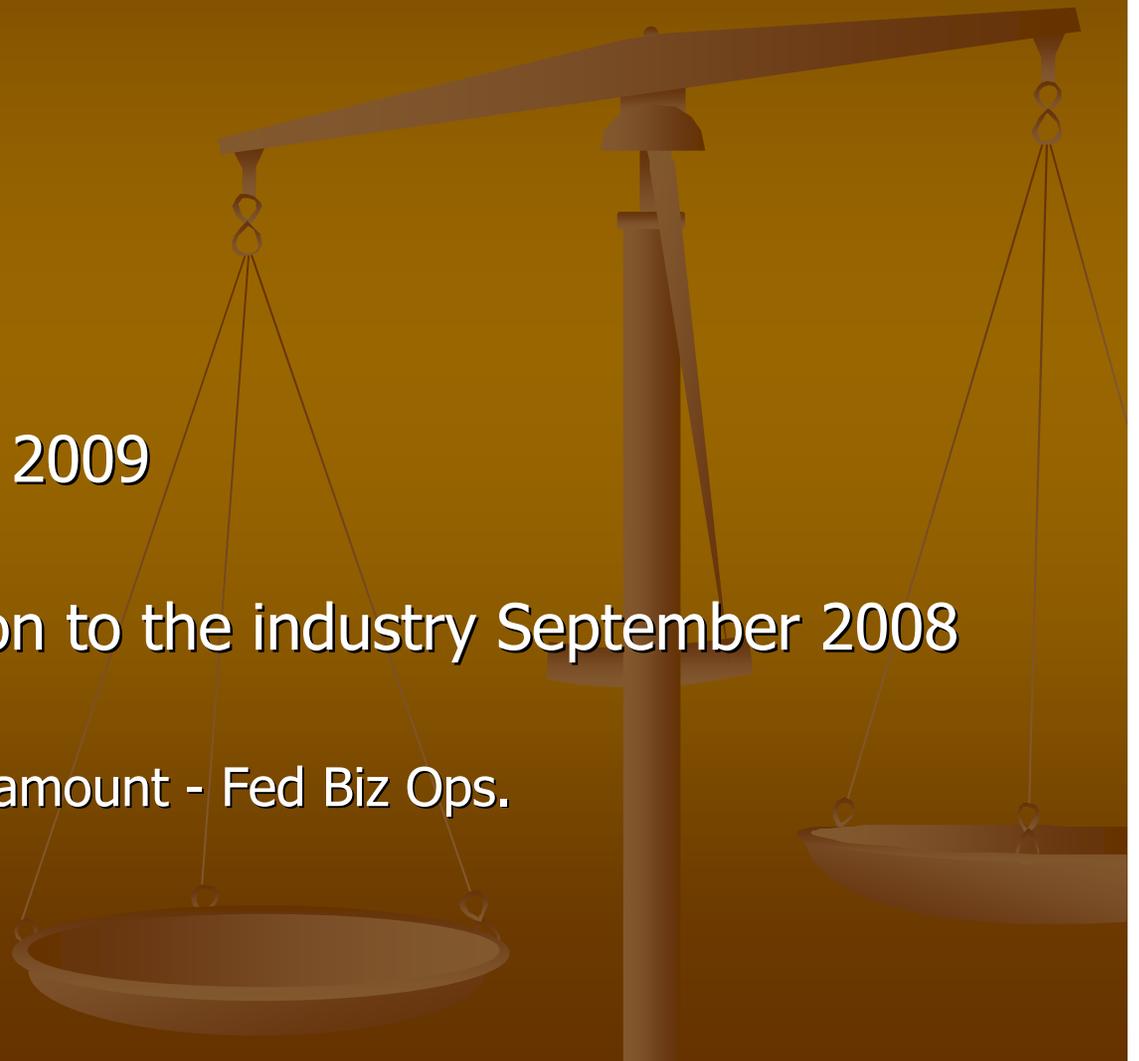
- At a minimum, the following information will be required:
 - Submit a minimum of one–two selected contracts and/or subcontracts of a similar nature to the effort being proposed in RFP
 - A list of references for your organization's performance on contracts submitted as reference.
 - Resumes of proposed staff including contact information such as names, phone numbers and email address.
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BEST VALUE

- Best Value will be determined using submitted cost proposals based on the factors included in the RFP
 - Cost alignment with RFP requirements
 - Proposed hours necessary to accomplish work outlined in RFP
 - Staffing levels and knowledge
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FUTURE NEEDS

- 3 - 5 contracts
 - \$1.5 annually
 - \$7.5 life of contract
 - \$37.5 Million (1.5M)
- Award – early Spring 2009
- Anticipated notification to the industry September 2008
 - Depending on award amount - Fed Biz Ops.

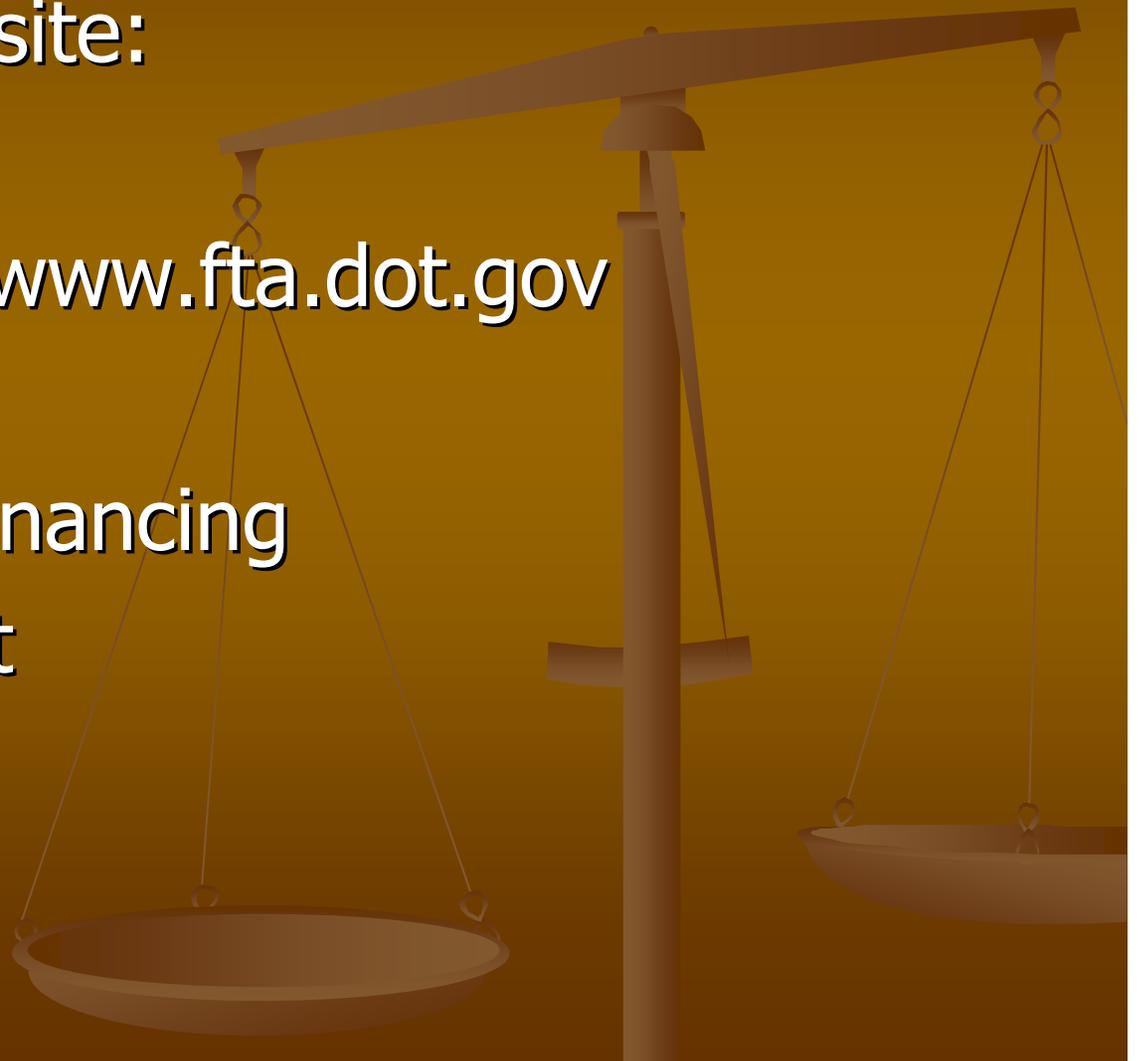


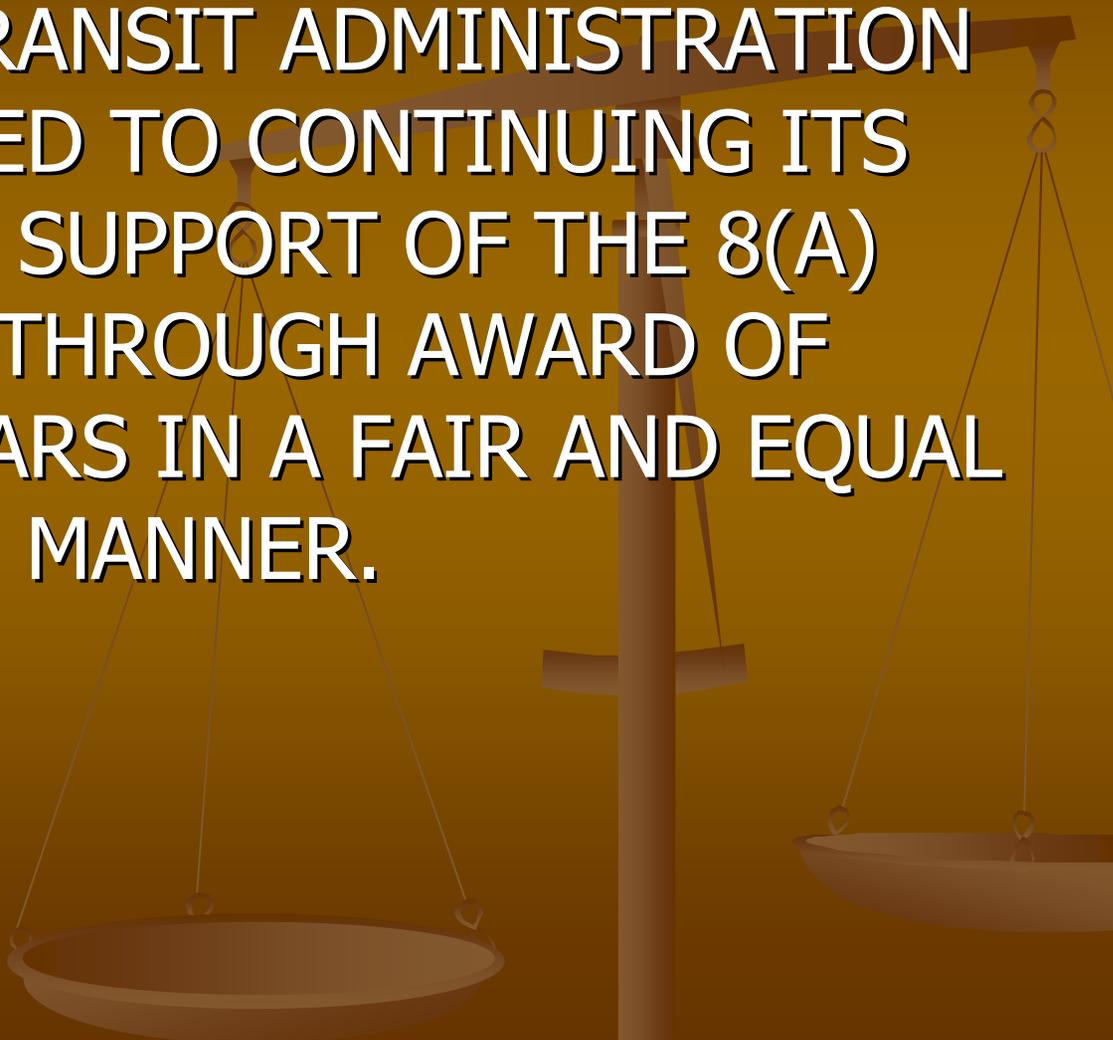
For Additional FMO Information

- FTA Public Website:

<http://www.fta.dot.gov>

- Select Grants/Financing
- Select Oversight





THE FEDERAL TRANSIT ADMINISTRATION
IS COMMITTED TO CONTINUING ITS
EFFORTS IN SUPPORT OF THE 8(A)
PROGRAM THROUGH AWARD OF
FEDERAL DOLLARS IN A FAIR AND EQUAL
MANNER.