



**United States Department of Transportation
Federal Transit Administration**

Response to Sources Sought Notice
Project Management Oversight – Capabilities Statement

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ABOUT MILLIGAN

Milligan & Company (MILLIGAN) is a full-service consulting and certified public accounting firm with offices in Philadelphia, PA; Cherry Hill, NJ; Washington, DC and Baltimore, MD.

MILLIGAN solves the most complex financial, accounting, operational and managerial challenges for government entities, small and medium businesses, public corporations, non-profit organizations and individuals. We serve each client with the personal service, responsiveness, practical results and integrity that are the hallmarks of our reputation.

The firm handles significant engagements that involve enormous financial administration, public trust and client confidence; from providing financial management oversight for \$5+ billion in Federal funds for the World Trade Center reconstruction to monitoring economic development projects throughout the State of Pennsylvania and providing advisory services to middle-market businesses.

We meet the goals of our clients in an increasingly demanding regulatory and economic environment. Our commitment to excellence and outstanding client service along with the dedication and skill of our staff make us a leader in our profession.

TRANSIT AND TRANSPORTATION CONSULTING SERVICES

MILLIGAN works with public and private sector clients, supporting their needs for project planning and management on large and complex infrastructure projects. We help our clients meet compliance, regulatory, statutory and financial reporting obligations on construction, economic development and transportation projects.

Since 1985, MILLIGAN has served transportation agencies nationwide; providing project management, financial management oversight, financial capacity assessments, grant monitoring and management, safety and security audits, civil rights and DBE program development, compliance monitoring and reviews and financial audits.

In 1991, MILLIGAN participated in the Federal Transit Administration's (FTA) pilot Financial Management Oversight (FMO) review project, assessing the internal financial controls of transit agencies nationwide. Since then, the firm has performed FMO reviews of the nation's largest transit agencies for FTA and, in 1996, began conducting Triennial Reviews for FTA. The high quality of work performed on these projects and our ability to attract exceptional transportation talent has resulted in the award of many other transit industry engagements.

For many clients, MILLIGAN provides preventative and proactive grants management and financial oversight counseling through routine reviews that achieve early identification of potential issues. This enables us to develop creative and effective solutions.

MILLIGAN uses its expansive knowledge base and proven methodologies developed over two decades of transit experience to help agencies implement administrative policies and business processes in critical areas:

- Project Management
- Planning
- Asset Management and Property Control
- Maintenance
- National Transit Database (NTD) Requirements
- Safety and Security
- Procurement
- Financial Management and Internal Control
- Legal
- Civil Rights and Hiring Practices
- Substance Abuse Programs
- Statistical Reporting

For the US Department of Transportation, state departments of transportation and our other transportation clients, MILLIGAN has conducted:

- Grant and Financial Management Oversight
- Compliance Reviews of DOT-Funded Recipients
- Transit System Safety & Security Audits
- Single Audits
- Civil Rights Compliance Reviews
- DBE Program Development and Monitoring
- Performance Evaluation of Demonstration Projects
- Financial Capacity Assessments
- Security Perception Surveys
- Agency-Wide Risk Assessments
- Planning Studies

STAFF EXPERTISE

MILLIGAN's staff has expertise in accounting and finance; city, transportation, and environmental planning; engineering; and economic development. Our consultants, managers, directors and principals have managed and performed on a broad range of transportation and transit related engineering, development, construction and monitoring engagements. Our services are used by several DOT operating administrations, including FTA and FAA; FTA grantees; state and local agencies; and prime contractors.

The multi-disciplinary backgrounds of MILLIGAN's staff brings together a broad range of skills required to successfully implement project management oversight services of FTA grantee projects. Our staff includes certified and credentialed Professional Engineers, American Institute of Certified Planners, CPAs and MBAs.

MILLIGAN professionals have conducted oversight and reviews of capital projects that require compliance with Federal, state and local statutes and regulations as well as FTA guidance. For many clients, our oversight activities are guided by terms and conditions of grant agreements and the firm monitors project budgets, schedules and scope to ensure grant compliance.

Our staff participates on engagements from start-up and planning stages through design, construction and operational phases of projects; providing evaluations, recommendations and technical assistance necessary for successful project completion.

Our project management experience includes major transit capital investment projects such as the Frankford Elevated Reconstruction Project in Philadelphia and Baltimore Metro Subway. For these and other projects, we have reviewed and monitored grantees' project status reports, cost estimates, schedule status reports,

change orders, claim settlements and quality assurance programs. The firm also conducts detailed on-site inspections of construction projects and provides advice on problems and correction of deficiencies to assure that the construction schedules, costs and quality control goals are met.

REPRESENTATIVE ENGAGEMENTS

Federal Transit Administration – Financial Capacity Assessments

Financial Capacity Assessments (FCAs) are primarily for agencies building Major Capital Investment Projects under Full Funding Grant Agreements. FCAs involve a comprehensive evaluation of a grantee's current and future resources in relation to its obligations. They analyze the grantees' financial planning and supporting documents, develop sensitivity analysis and determine the financial impact of various project alternatives or variances to critical financial assumptions.

MILLIGAN has performed these assessments for Bay Area Rapid Transit of San Francisco; Orange County, California; Massachusetts Bay Transportation Authority; Tren Urbano in Puerto Rico; Metropolitan Atlanta Regional Transportation Authority; Houston Metro, Los Angeles Metropolitan Transit Authority and others. To complete our Financial Capacity Assessments, MILLIGAN will:

- Review capital and operating financing plans and related documents.
- Analyze capital and operating budgets for evidence of a stable and reliable revenue base to support financing the project.
- Determine the existence of any significant unforeseen liabilities and any conditions that may lead to their development.
- Critique the reasonableness of revenue projections and financing assumptions.
- Develop information on local fiscal efforts that consider key financial, debt and economic factors.
- Review the bond program by developing a history of the program and identifying the amount of money generated by each bond series and the disposition of those funds.
- Assess the status of the grantee's commitment to fund the program.
- Review funding partner participation and assess whether any issues exist with the funding source.
- Review the Long Range Financial Plan model, assess the adequacy of the process, and, if appropriate, review status of debt financing plan and the process for tracking bond issues.

Federal Transit Administration – Triennial Reviews

Since 1997, MILLIGAN has conducted triennial reviews and provided technical assistance to the FTA's Office of Program Management. For each grantee, team members conduct desk reviews at regional offices and site visits using the FTA Triennial Review Contractors' Guide and Worksheets.

MILLIGAN prepares draft and final reports for the FTA summarizing the compliance findings and any corrective actions required of the grantee. Within the 90-day timeframe for implementation of corrective actions, MILLIGAN provides technical assistance in development of procedures and policies to address the findings. In addition to conducting Triennial Reviews, our team also provides assistance on special projects.

These have included providing instructors at workshops and revising workshop, review and Toolkit materials.

Federal Transit Administration – Financial Management Oversight Reviews

MILLIGAN performs FMO reviews of the nation’s largest transit agencies for FTA. Since 1991, the firm has conducted more than sixty FMO reviews of agencies such as New York City Transit, New Jersey Transit, Massachusetts Bay Transportation Authority, Port Authority of New York and New Jersey and CALTrans. These reviews involve a comprehensive assessment of the transit agency’s financial systems to determine if they have adequate internal controls to comply with FTA and other Federal policies including reviews of an agency’s financial reporting, accounting records, procurement, internal control, budget control, allowable costs, source documentation and cash management. Our reviews identify deficiencies and offer recommendations to correct shortcomings. MILLIGAN also provides technical assistance and guidance for implementing these recommendations.

We assisted FTA by developing a self-assessment tool for grantees in the area of internal financial controls. MILLIGAN developed the FMO procedure manual used by our staff and other FTA contractors in performing these reviews. Grant recipients use this manual to complete their own assessment of their internal controls. The firm also conducts annual FMO training sessions for FTA grant recipients on how to perform internal risk assessments and improve internal controls.

Pennsylvania Office of the Budget – Redevelopment Capital Assistance Program – Grant Reviews & Oversight

MILLIGAN provides review and oversight services to the Pennsylvania Office of the Budget Redevelopment Assistance Capital Program (RACP). RACP projects have regional or multi-jurisdictional impacts and bring economic, cultural, or civic benefits to a community such as increased employment, tax revenues, or other measures of economic activity. MILLIGAN has overseen more than 100 projects throughout the state, involving property acquisition, infrastructure development, downtown improvement districts, intermodal transportation centers, universities, sports and entertainment venues, and waterfront developments.

Our role begins with a review of grant applications to assess the feasibility of successful completion of the project. Reviews include technical and professional analyses of financial, design, and construction plans of the proposed project and providing the information necessary to issue the grant agreement. Comprehensive reports are issued containing MILLIGAN’s evaluation of adequacy of documentation and funding; project eligibility for RACP funding; and what, if any, additional information is needed to proceed.

After application approval, MILLIGAN monitors construction, making periodic site visits and reporting on project financing and construction progress. Project monitoring ensures that: matching funds and interim financing are available; special grant conditions are satisfied; construction activities progress per schedule; adequate project management controls are implemented; and program compliance is met. MILLIGAN reviews financial documentation, such as cash flows, bank statements, bond documents, and loan agreements. Construction schedules and activities are discussed, as are impacts of change orders and unforeseen circumstances on project plans, budgets, and schedules.

MILLIGAN also identifies situations that may adversely affect the project, recommends corrective measures to ensure successful completion of projects and helps bring project participants into compliance with regulatory guidelines.

Maryland Transit Administration – Capital Program Management

The Maryland Office of Planning and Programming facilitates the development, management and reporting of capital projects sponsored by the Maryland Transit Administration (MTA) in the Consolidated Transportation Program. MTA receives funding for its capital program from the state of Maryland through the Maryland Department of Transportation, FTA and local municipalities. MILLIGAN works with MTA's staff in tracking grant funds forecasted to and expended on these capital projects. We assist MTA by:

- Developing and implementing grant management procedures
- Reconciling FTA grants
- Analyzing project forecasts and Federal aid assumptions
- Applying for funds appropriated by FTA
- Monitoring the monthly expenditure report received from project managers
- Coding invoices submitted to Grant Accounting for reimbursement
- Preparing and updating grant summary schedules as funds are awarded and expended
- Reconciling schedules to Financial Status Reports (grant accounting)

In order to accomplish the above, MILLIGAN documented the internal control systems in place for tracking funds, identified source documents required to record financial transactions, and provided recommendations and finalized procedures to meet MTA's goals.

The Southeastern Pennsylvania Transportation Authority – Affirmative Action Program Monitoring

The Southeastern Pennsylvania Transportation Authority (SEPTA), the Philadelphia region's primary mass transit provider, is in the midst of bringing a rejuvenated Market-Frankford Line to the city. One of the most visible initiatives in this effort is the Market Street Elevated Reconstruction Project in West Philadelphia. This \$560 million project extends along Market Street from 46th St. to Milbourne Station in Delaware County and runs through many different neighborhoods that make up the unique fabric of West Philadelphia.

SEPTA intends for this project to have a major positive impact on transportation and an equally positive economic impact on area businesses and workers. To achieve this, SEPTA initiated an aggressive affirmative action program to ensure that disadvantaged business enterprises (DBEs) receive opportunities for substantial professional service, construction, and supply contracts and subcontracts. This program also includes measures to ensure that construction firms working on the project employ minorities, women and residents of the construction area throughout the length of the project.

MILLIGAN's engagement focuses on monitoring achievements as well as developing opportunities for DBEs, minorities, women and residents to participate to the fullest extent possible on the project. The firm also provides technical assistance to DBEs and workers currently participating on this project to ensure their continuing success.