

United States Department of Transportation

PROJECT MANAGAEMENT OVERSIGHT SERVICES

Federal Transit Administration

RESPONSE TO SOURCES SOUGHT NOTICE

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CAPABILITY STATEMENT

INTRODUCTION

PricewaterhouseCoopers LLP (PwC) is pleased to submit this Capability Statement in response to the Sources Sought Notice issued by the Federal Transit Administration (FTA) on December 6, 2007, seeking partners who can provide Project Management Oversight services for selected capital projects. We understand FTA defines oversight as a continuous review and evaluation of grantee and FTA processes to help establish compliance with statutory, administrative, and regulatory requirements. We believe our Project Management Office (PMO) and grants management capabilities, and our extensive transportation, transit and capital project management industry experience, make us uniquely qualified to provide FTA with its oversight needs.

PwC has worked in partnership with an unrivalled global client base of government and commercial transportation organizations. We have over 140,000 people in 148 countries providing industry-focused assurance, program management, and advisory services. We have been a leader in providing program management services to our clients for over 75 years. We have delivered enterprise solutions to global clients by applying industry standard practices, innovative methodologies and excellent training in program and portfolio management to technical and business modernization initiatives.

PwC is a recognized leader in program management globally, commercially and in the federal government. We are noted for our program, project management and PMO knowledge—particularly for our ability to bring appropriate risk management and performance measurement approaches to PMOs. Federal government clients such as United States Army Corps of Engineers (USACE), Federal Emergency Management Agency (FEMA), and Transportation Security Administration (TSA) have retained us to support wide-ranging, complex PMOs. Additionally, PwC provides Capital Projects Advisory engineering and construction services to assist clients in managing their projects costs effectively, improving their financial performance and settling contract disputes.

PwC's PMO for FTA project management oversight provides the methodologies, tools, and processes required for the successful coordination of large complex transit projects and tasks. A well orchestrated PMO supports the implementation, transition, monitoring and reporting of FTA capital projects. PwC believes that in order for the FTA to achieve the highest level of success, FTA must select a partner that is not only well-versed in project management, but who also has first-hand familiarity with large capital construction programs and in-depth understanding of the statutory and regulatory requirements that govern the transit industry.

Why choose PwC?

PwC prides itself on establishing long-standing partnerships with our clients. PwC also understands there cannot be a partnership without successful performance towards meeting objectives. Through the years, PwC has achieved success because we help our clients meet and exceed organizational performance objectives. We believe PwC is an outstanding partner to FTA in this critical undertaking because:

- PwC understands and has deep experience in program management of complex projects, including transit projects. As a market leader in the delivery of PMO support,

PwC has the necessary knowledge and capabilities to quickly stand up a PMO and provide the requisite resources and industry standard practices.

- PwC has a dedicated practice focused on Capital Project Advisory Services. PwC's efforts on these projects have included assessments of project controls, the analysis of changed conditions, project performance and construction delays, analysis of project risks, and the avoidance and resolution of contract disputes between owner/developers, government authorities and contractors.
- We have first-hand familiarity with large capital construction programs: their structure, operations, funding mechanics, as well as experience with recommending performance improvements and efficiencies.
- PwC understands and has deep experience in grants management at the federal and state levels. Additionally, we have a dedicated team of professionals that understands the complexities and challenges of managing large Federal grant programs.
- We serve clients in the transportation industry from trucking, through heavy rail, to transit, highways and aviation. PwC's transportation practice serves the Department of Transportation through a dedicated team of transportation specialists who bring both public and private sector expertise to FTA.
- PwC has a wide-cadre of resources who have implemented PMOs of a similar size and scope and who are PMP-certified. Additionally, we have seasoned professionals with hands on experience bringing to each engagement the practical knowledge gained as contractors, engineers, planners, accountants, estimators and project managers.
- We have access to teaming partners with the capability in value engineering who provide technical capacity and capability guidance.

Our Understanding of the Federal Transit Program and Grant Programs

We have a broad, longstanding and in-depth understanding of the FTA and its programs. FTA is a relatively small federal agency with large grant programs, which serve over 600 local agencies, and all state Departments of Transportation (DOTs). FTA has specified grantee projects that require PMO oversight and management during the initial project implementation phase and PMO support throughout the project life cycle. From the pre-award through the closeout phase, federal grant awards must be managed with close scrutiny by the granting agency to ensure proper stewardship of federal funds. FTA is accountable for the financial management of grants from planning through disbursement and is required to have a grants management module as part of their JFMIP certified core financial system. PwC can support these requirements with the application of our PMO methodology. Our understanding of FTA and its grant program structure enables us quickly to apply this knowledge to our assessment and review of partnership agreements for FTA's pilot projects.

OUR QUALIFICATIONS AND CAPABILITIES

Our Knowledge of the Transit and Transportation Industries

PwC has extensive experience serving complex organizations such as the FTA. In addition to our PMO qualifications, we would like to highlight our experience in the transit and transportation industries. As leading global advisors to the transportation industry, PwC's Transportation practice features 150 partners and nearly 2,000 professionals in 139 countries who provide industry-focused services to over 270 companies, transportation authorities and governments. We serve clients in every transportation sector from trucking, through heavy rail, to transit, highways and aviation. In Washington, PwC serves the Department of Transportation, as part of our larger transportation industry practice, through a dedicated team of transportation

specialists who bring both public and private sector expertise to FTA. PwC is currently engaged on FTA's Public Private Partnership Penta-P Program.

PwC is one of the few firms that serve clients in every aspect of the transit industry-- national, state, and municipal clients as well as private sector developers, operators, system suppliers and the financial community. Our broad range of advisory and assurance support services to the transit and transportation industries include engineering and construction management services, capital program reviews, improvements of transit facilities, management and organizational development, public policy analyses, legislative studies, economic and market analyses, privatization and commercialization, financial structuring, and process improvement. Many of our reports have been publicly disseminated. Our transit or transportation authority clients include, among others, the Chicago Transit Authority, Massachusetts Bay Transportation Authority, Los Angeles County Metropolitan Transportation Authority, Metropolitan Atlanta Rapid Transit Authority, and many others.

Our Knowledge of Capital Project Management

PwC provides the appropriate program management methods, tools, and knowledge to reduce risk and enable success of large complex programs and initiatives. Today's transit industry issues are highly complex, technologically challenging, and require the most knowledgeable project management professionals. PwC has depth and global knowledge in the transit industries and government agencies; we possess the appropriate technology knowledge. Our project management methods and Project Management Institute (PMI) certified project management professionals (PMP) mitigate the risk associated with large project portfolios.

Specifically, PwC's Capital Project Advisory services focus on assisting clients in cost-effective management of their projects, improving their financial performance and settling contract disputes. Seasoned professionals with hands on experience bring to each engagement the practical knowledge gained as contractors, engineers, schedulers, accountants, estimators and project managers. Our clients benefit from our services in a variety of ways including: early identification of project problems; reduced project cost; timely project delivery; independent assurance; lender compliance; and knowledge transfer.

The table below displays our client industry experience with the potential FTA requirements.

		Federal Government	State & Local Government	Engineering & Construction	Transit
Competencies	Monitor Large Caseload of Projects	✓	✓	✓	✓
	Evaluate Grantee Project Management	✓	✓		
	Monitor Projects for Time and Budget	✓	✓	✓	✓
	Design Constructability			✓	✓
	Contract Modification Reviews	✓	✓	✓	✓

Thought Leadership

As a Corporate Council member of the PMI, PwC demonstrates its alignment with PMI and willingness to advance awareness of the profession at regional, national, and global levels. Our membership demonstrates our organization's commitment to project management for tactical efficiencies, strategic advantage and a more effective overall organization. Our PMI certified PMP are entrusted with providing program management and project management services across Federal government agencies and the commercial sector. PwC thought leaders contributed to the development of the Government edition of the PMI Project Management body of Knowledge (PMBok®), sit on the board of PMI Certification Governance Council, and participated in PMI's development of the Organizational Project Management Maturity Model (OPM3®) standard used to assess the maturity of an organization's project management capability.

PwC Global Project Office Methodology

PwC embraces program management through a thoughtful, robust and detailed program management methodology. Through the use of our life-cycle and integrated approach to program management, PwC remains aligned with leading practice PMO methods, standards, and guidelines and is aligned with the PMI Project Management Body of Knowledge.

The phases displayed in the following table, facilitate optimal decision making by reviewing and prioritizing projects in the enterprise via Portfolio Management. Portfolio Management makes use of continuous and consistent project evaluation and prioritization. Multiple projects compete for scarce resources and vie for position on the implementation timeline. Through portfolio management, projects are assessed in terms of their benefits, costs, and risks. PwC embeds the competency of project and program management through thoughtful, consistent and tailored methodologies. Tailored methodologies in the construction industry can include design and construction procurement issues, and construction contract compliance assessments. In addition, project reviews will facilitate the standardization of methods, tools and resources.

Tools are an integral part of project management. Through the use of tools, our PMI certified project managers are able to develop a thorough repository of project information that spans the entire life cycle of the project. PwC leverages tools that are 100% web-enabled, work-flow driven and provide automated executive dashboards with portfolio views and customized reporting. PwC maintains relationships and formal alliances with leading project portfolio management tool vendors frequently found in the top right hand corner of the Gartner Magic Quadrant. PwC methods and tools greatly enhance ongoing project management capabilities and increase the likelihood of successful projects - delivered on time and on budget while achieving stated business outcomes. As a result of using these tools, clients realize several benefits: (1) projects are aligned with organizational priorities, (2) enhanced communication, coordination, and collaboration, (3) increased span of control and visibility, and (4) validation of achieved benefits and identification of drivers that influence cost reduction. PwC provides training to help promote the understanding of the capabilities of the tool. As one of the leaders in providing project management services, PwC understands the importance of leveraging industry standard practices. PwC maintains an extensive database of Global Best Practices, which contains benchmarking data and best practices on a multitude of industry business processes.

We have the breadth of experience, proven methodologies, and trained consultants who can provide solutions to address typical elements of these offerings with regards to program planning, cost management, communications, program control, quality and standards.

PwC Global Project Office Methodology		
Phases	Description	Expected Outcomes
Program Planning	<ul style="list-style-type: none"> ▪ Planning and scheduling ▪ Resource management ▪ Dependency management ▪ Assumption management 	<ul style="list-style-type: none"> ▪ Integrated schedule based on activity sequencing. ▪ Identification of where resources are being used. ▪ Methods for balancing the use of scarce resources across multiple projects. ▪ Improvement in the utilization of staff resources.
Cost Management	<ul style="list-style-type: none"> ▪ Cost management ▪ Business case monitoring and performance management 	<ul style="list-style-type: none"> ▪ Better alignment of budgetary expenditures and project initiatives. ▪ Processes to better monitor and track budgetary compliance. ▪ Identification of opportunities to improve efficiency, effectiveness and quality. ▪ Process Standardization.
Communications	<ul style="list-style-type: none"> ▪ Communications management ▪ Stakeholder management ▪ Project monitoring and reporting 	<ul style="list-style-type: none"> ▪ Methods to enhance communication initiatives between management and stakeholders. ▪ Processes for monitoring and reporting.
Program Control	<ul style="list-style-type: none"> ▪ Risk management ▪ Issue management ▪ Scope management and change control ▪ Acquisition support & management 	<ul style="list-style-type: none"> ▪ Effective management of issues that arise that could derail project completion. ▪ Implementation of best practices in program/project management. ▪ Organizational maturation aligned with PMI's OPM3 maturity standards.
Quality Standards	<ul style="list-style-type: none"> ▪ Quality Management ▪ Knowledge Management 	<ul style="list-style-type: none"> ▪ Standardized method for quality assurance of projects and programs. ▪ Effective management that supports accurate, complete, consistent work.

We believe our PMO, grants management and construction management capabilities as well as our experience and understanding of the transit industry and FTA, coupled with our reputation of independence and integrity; make us the right choice to work with the FTA. We are happy to discuss FTA's needs in more detail and further elaborate on our capabilities and experiences in providing Project Management Oversight services.