DISCUSSION PAPER:

PUBLIC TRANSIT PROCUREMENT:

A National Initiative to Promote Economic Prosperity and to Unite Communities, Workers and Business

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Introduction:

This paper describes a new national initiative to significantly increase the quantity and improve the quality of U.S. manufacturing jobs related to the production of railcars, clean buses and component parts used to operate public transit in the United States. The initiative will build on successful community, business and governmental efforts over the past 10 years to create a greener and more sustainable U.S. fleet of public buses and railcars and to increase the overall local, state and federal investment in public transit. The paper includes a discussion of challenges to and a roadmap for increasing opportunities for training, workforce development and the creation of high road clean transit manufacturing jobs for unskilled workers and disadvantaged communities across the U.S.

Manufacturing – Rise, Fall and Potential Resurgence:

For much of the 20th century, the United States manufactured complex and cutting edge products while offering their workers a decent wage to do it. Manufacturing offered workers without a college education the opportunity to access career ladder jobs and the ability to earn a family supporting wage. American factory jobs enabled families to own a home, send kids to college and retire securely. It was not unheard of for a company to move into a small town, open a factory, invest in the community and become a part of the local fabric. Historically, manufacturing has been a sector key to providing Americans a pathway into the middle class.[1]

In the years following the postwar era, the U.S. economy increasingly shifted towards low-wage service sector work while the number of manufacturing jobs steadily declined.[2] In just a little more than a decade, over 56,000 U.S. factories have either shut down or moved overseas—resulting in the loss of 3 million jobs.[3] This tremendous loss in manufacturing is one of many complex and interrelated economic factors that have contributed to the widening inequality and wage gap in the United States and "the polarization of job opportunities between the top and bottom of the wage and skill distribution, with a hollowing out of middle-income jobs".[4]

However, in recent years, with the rising cost of fuel, overseas labor, logistics and the increasing competitiveness of the American dollar, there has been a slow resurgence in U.S. manufacturing.[5] As producing goods at home has become more attractive we have seen a return of some of the production lost to places like Asia – a phenomenon that has been dubbed "reshoring".[6] The continued growth of the sector over the last several years amidst economic stagnation and decline has created excitement around the country, and drawn media attention to the potential for manufacturing as the conduit for economic recovery.

In the past four years, the conversation around economic recovery has included a strong debate about how to increase permanent manufacturing capacity and in particular, the U.S. manufacture of the buses, rail cars and other equipment needed to expand and operate our public transportation systems. The recently approved surface transportation bill – a historically

bipartisan jobs bill – and transportation projects funded by the American Relief and Recovery Act (ARRA) have been a driver for job creation and are the impetus for this discussion.[7] With rising prices at the pump, the demand for more and better public transportation options is at a high.[8] As transit agencies across the country are faced with increased ridership and overcrowding they are having to look for innovative ways to move billions of dollars worth of infrastructure expansion projects forward more quickly. The diversification, upgrade and build out of our transportation network presents itself as a unique opportunity. The purchase of railcars and clean buses to supply the thousands of miles of newly constructed rail lines and public transit corridors crisscrossing the nation create an entry point for the leveraging of public investment to revive and sustain manufacturing in the U.S.

A Closer Look at U.S. Transportation Trends & Policy Drivers:

The Federal Policy That Signaled a Shift from Public to Private Transport

The American railroad was one of our nation's first industries. Following the Civil War, with the advent of the steam locomotive, travel by railcar quickly began replacing horse drawn wagons and stage coach. By the late 19th century, train tracks crisscrossed the country—connecting major cities and pushing out West.[9] Trains completely changed the way people, news, information and goods traveled. But by the Great Depression, the number of rail passengers began to plummet. As part of President Franklin Roosevelt's economic recovery plan—the federal government devised a national strategy for job creation around infrastructure development and pushed for policy changes that supported the growth of the rail industry, research and development. With federal support and a shift in public policy, General Motors made significant advancements to the diesel engine for use in railcars—completely revolutionizing the speed and capacity of trains. Several other breakthroughs by American companies in areas including metalworking, braking systems and radio reception, allowed the American passenger rail car industry to propel itself into a position of global leadership. By the late 1930's, our passenger trains were beating world records for speed and distance while their sleek, modern design was influencing art, architecture and culture.[10] But much of the work that went into revising passenger transit was undone when the U.S. began to prioritize highway and airways over rail.

Beginning in the 1950's, our national transportation strategy – under the Federal Highway Act – began to favor private modes of transport over public.[11] The federal government heavily invested in the construction of highways and airports, driving private investment away from transit and leading to an uneven demand for railcars.[12] Over time and as demand for public transit contracted, domestic producers became unable to keep up with the cost of technological advances and unable to remain competitive globally. Without the support of a comprehensive industrial policy, American railcar companies began dropping out of the market.[13] As government began promoting and subsidizing the construction of runways, airports and roads, our domestic rail and streetcar builders and their supply chain networks

began to disappear. [14] This lack of national strategy around the investment in and advancement of transit manufacturing led to the demise of our domestic passenger rail industry.[15]

Federal and Local Initiatives: Recent Efforts to Strengthen Transportation Investment and Procurement Rules as a Path to Increasing Domestic Manufacturing

Today, approximately 80 percent of the federal transportation budget is spent on highways and 20 percent on mass transit.[16] However, in recent years, federal, state and local governments have initiated a variety of programs to increase investment in public transit and to strengthen permanent capacity within the United States to manufacture railcars, buses and component parts. Many of these initiatives have focused special effort on replacing aging, dirty bus and rail car fleets, with newer, more efficient and cleaner versions.[17] For numerous reasons, these efforts have failed to result in the creation of a significant increase in the number of permanent U.S. transit manufacturing jobs. However, all of these initiatives – taken together – provide a wealth of experience, lessons learned and new ideas to support the crafting of a national program to significantly increase manufacturing jobs related to U.S. production of public transit vehicles.

Federal Initiatives:

State of Good Repair (FTA)

A report released by the FTA in 2011 indicates that in 2009, the U.S. experienced a capital reinvestment deficit of somewhere around $1.4 billion in our nation's public transportation system and an overall accumulated shortfall of $77.7 billion.[18] The new surface transportation bill, Moving Ahead for Progress in the 21st Century (MAP-21), provides formula-based funding for the FTA's State of Good Repair initiative, helping states and localities maintain and reinvest in their transit systems. In fiscal year 2013, $2.1 billion has been authorized for the recapitalization and restoration of fixed guideway investments.[19]

Next Generation Rail Supply Chain Connectivity (DOT/DOC)

In an effort to rebuild infrastructure and to put Americans back to work, the Obama Administration has prioritized the build out of our nation's transit system and strengthening manufacturing. The Department of Transportation (DOT) has teamed up with the Department of Commerce's (DOC) Hollings Manufacturing Extension Partnership (MEP) network to identify and expand the number of domestic suppliers to the bus and rail industries. This effort has grown into the Next Generation Rail Supply Chain Connectivity initiative, which is an effort to support the Administrations' goals around the expansion of a system of intercity passenger and high speed rail. In addition, to help railcar and bus builders reach 100 percent domestic content, the Federal Railroad Administration's High-Speed and Intercity Passenger Rail Program is funding a series of forums that are aimed at connecting rail Original Equipment

Manufacturers (OEMs) with suppliers and is offering to provide assistance to firms interested in filling in the gaps in our domestic supply chain.[20]

Moreover, Section 305(b) of the Passenger Rail Investment and Improvement Act of 2008 requires Amtrak, and the Federal Railroad Administration to work together to create common specifications for intercity passenger cars and locomotives. This effort is modeled on the successful effort by streetcar companies in 1929 to develop a common specification, allowing multiple manufacturers to produce common equipment, thereby reducing cost. Between about 1930 and about 1950, these streetcars were manufactured for use in many U.S. and European cities. The current common specification effort is guiding the procurement of new higher-speed intercity passenger cars and locomotives for California and the Midwest rail networks, and Amtrak has pledged to use the common specification for its future procurements.

Buy America

"Buy America" was first applied to transportation spending as a provision in the 1978 Surface Transportation Assistance Act before becoming adopted as part of the U.S. Code in 1991. The Buy America provisions were written to ensure that all transportation-related projects receiving federal funding used steel (and later iron products) with 100 percent domestic content. In addition, the statute requires that 60 percent of the value of rail and bus rolling stock component parts be American-made and that all final assembly take place in the U.S. Buy America requirements are triggered on federally funded rolling stock procurements valued at over $100,000.[21]

Although the statute seeks to protect domestic manufacturing, it allows for discretionary waivers to be granted should they be "in the public interest", if an American sourced component is cost-prohibitive or simply unavailable. Although there are loopholes that allow for high value work (such as design and engineering) and manufacturing to escape abroad, the FTA has issued a public decree – heightening its standards in an attempt to ensure that federal funds are used to maximize job creation and to advance domestic manufacturing. [22] FTA Administrator Rogoff has openly expressed the agency's intent to " 'claw and fight to get every American manufacturing job back that we can'… [and that there is] an obligation to see that those [tax] dollars produce American jobs' ".[23] Although the Buy America statute has pushed most multinational railcar and bus builders to invest more in the U.S., the degree of investment by different manufacturers varies greatly.[24]

Unfortunately, for a number of overlapping reasons, Buy America alone does not appear to have led to a substantial increase in direct job creation by the OEMs. Most importantly, manufacturers receive credit towards Buy America domestic content requirements up for the inclusion of subsystems supplied to them by American subcontractors – thereby enabling them to keep high-value work overseas. So long as the total value of all of these bus and rail subsystems is 60 percent domestic (as estimated by the OEMs themselves), the railcar and bus companies meet federal requirements. As a result, the high value design, engineering and even car shell and truck/bogie production work continues to be mostly done outside of the country.

In addition, as demonstrated by the local examples described below, OEMs committing to greater than 60 percent U.S. production value have not been gaining significant competitive advantage over companies that are meeting the bare 60 percent minimum requirement.

Surface Transportation Bill (MAP-21)

On July 6, 2012 President Obama signed the new 27 month surface transportation bill, MAP-21, into law. Public transit made some small gains within the bill, particularly under the America Fast Forward title. As part of America Fast Forward the Transportation Infrastructure Finance and Innovation Act (TIFIA) program broadens definitions of a project and increases the maximum share of project costs from 33 to 49 percent. TIFIA—which provides credit assistance for qualified transit projects of regional and national significance—has been expanded to allow projects to access larger funding streams and to potentially leverage $10 for every $1 of federal assistance.[25] TIFIA will now be granted on a rolling basis rather than competitively– and it is unclear if this will effectively result in the prioritization of projects with strong credit standing and/or dedicated revenue streams. Other available pots of money will have increased transferability, which could potentially benefit transit projects but may very well work to undercut them if the resources are siphoned off to highways and roads. These few but significant gains were unfortunately coupled with losses in the new bill. The TIFIA program, for example, will no longer require performance measures and project quality standards. Map-21 fails to address the transit funding crisis, tied to the insufficient revenue brought in from a flat motor fuel tax (that has not been raised in nearly two decades). Lastly, the continued 80/20 split in funding for highway and transit remains intact.[26]

State and Local Initiatives:

In the past three years, there have been several significant efforts to advance domestic manufacturing and high road U.S. job creation through local public sector driven transportation procurement. Each of these examples has provided valuable lessons, providing insight into the development of a potential national initiative to significantly increase the domestic production of railcars and buses.

United Streetcar (Portland, Oregon)

In 2009 Portland's transit agency awarded the East Side Loop Modern Streetcar Project to United Streetcar, the first American modern streetcar manufacturer in nearly 60 years.[27] The contract for the purchase of six vehicles allowed the company to roll out its first streetcar production line and create 133 good jobs.[28] As the first homegrown streetcar builder in decades United Streetcar had its work cut out for them – having a vast technological and supply chain gap to fill. The first prototype car was made possible by entering a technology transfer agreement with Czech car builder Skoda.[29] In order to rebuild the domestic supply chain the company worked to connect over 200 vendors across 20 states.[30] After winning a $2.4 million federal grant, the company then teamed up with American firm Rockwell Automation and is working toward increasing domestic content in its vehicles from 70 to 90 percent.[31]

Since its establishment in 2005, the company has had a strong track record, winning three of three competitive bids between 2005 and 2012.[32] In April 2012, however, the City of Cincinnati selected Spanish railcar company CAF USA as the preferred vendor over United Streetcar.[33] The contract was based upon scoring of evaluation of price, technical specifications and aesthetics. It is likely that price played a significant role in the decision making process as CAF USA has never produced streetcars in the U.S. Coming in as the lowest priced bidder, the Cincinnati project will be CAF USA's streetcar debut.[34] While CAF's final assembly and testing work will be done in a growing factory in upstate New York, significant high value design, engineering and large component part manufacture will likely continue to be done in Spain.[35] Although this has been a recent setback, United Streetcar's significant successes have made it the national poster child for the fight to bring transit manufacturing back to America.

Bay Area Rapid Transit (San Francisco, California)

Two years ago San Francisco's Bay Area Rapid Transit (BART) began its procurement process for the purchase of up to 775 railcars to replace its fleet (most of which is either near or at the end of its life cycle) and provide capacity for the CalTrain extension to San Jose scheduled to be completed in 2018.[36] The Best Value request for proposal (RFP), valued at nearly $3 billion dollars, evaluated bidders on seven main criteria, of which price was the most important consideration.[37] In addition to pricing, BART also scored bidders on experience and past performance, vehicle design, approach to the work, delivery schedule and narrative, staffing and energy consumption. The agency goal was to ensure the delivery of a cost efficient, modern railcar fleet that embodied safety, comfort, reliability and environmental sustainability.[38] Job creation was not an explicit goal of the agency or its Board until BART later amended its RFP to include the recently adopted California Assembly Bill 1097, which allowed preference to be given to proposers that exceed the Buy America 60 percent domestic content threshold. BART awarded Bombardier Transportation for the contract.[39]

Los Angeles County Metropolitan Transportation Authority (Los Angeles, California)

In 2008 the residents of Los Angeles County voted for Measure R, a half-cent sales tax increase that is estimated to generate $40 billion for the region over a thirty year period.[40] Although the initiative occurred during a high point in the recession, residents overwhelmingly approved the measure with the understanding that the money would be used not only to fund and accelerate the expansion of mass transit projects but contribute to local job creation.

In November 2010, using a mix of funding from Measure R and federal dollars, the Los Angeles County Metropolitan Transportation Authority (LA Metro) released its RFP for the purchase of nearly $1 billion worth of railcars to supply its rail expansion projects. Unlike past low-bid procurements, LA Metro's P3010 light railcar RFP was a best value solicitation that allowed for the evaluation of experience and past performance, technical compliance and project management experience in addition to pricing.[41] At Board directive, Metro also included jobs

incentive criteria as part of the RFP evaluation, which gave rail car manufacturers the opportunity to earn additional points for new jobs created in connection with the P3010 contract.[42] LAANE worked with LA Metro to develop this jobs incentive criteria and win FTA formal approval of a newly designed U.S. Employment Plan (USEP) – which required that proposers demonstrate an understanding of local employment conditions, submit detailed job creation plans, apprenticeship programs, workforce development and dollar commitments for training. Although the USEP only allowed for the assessment of the number and quality of jobs created in the U.S., it still provided Metro with a set of tools to leverage good, permanent job creation in areas throughout the U.S., including Los Angeles.

We Need a Bigger Catalyst

While all of the efforts described in this paper have resulted in increased public discussion about the importance of U.S. job quality and creation, a new national initiative is needed to ensure the following integrated outcomes: 1) companies that increase their investment in US manufacturing actually receive enough orders to justify and continue to increase that investment; and 2) investment in U.S. manufacturing capacity related to rail cars and buses is done in a way that benefits some of the most disadvantaged communities in need of economic development, and brings training and high road job opportunities for American workers.

As part of this effort, we also need to educate and engage those involved at all levels of the procurement process regarding the linkages between higher domestic content requirements and domestic job creation. It is important for those making procurement decisions to recognize that properly enacted procurement policy will benefit the economy by boosting wages and employment in the U.S. In addition to these direct benefits, there are equally important indirect benefits including tax revenue on those wages, as well as indirect jobs created from the re-spending of the income from those directly employed.

A NATIONAL INITIATIVE TO INCREASE U.S. MANUFACTURING JOBS CREATED THROUGH TRANSIT PROCUREMENT

A Sense of Urgency:

Over the next 10 years, billions of tax dollars will be spent on the purchase of rail cars, buses and other transit equipment, presenting a tremendous opportunity for the creation of good, career ladder jobs for Americans and a path towards continued economic recovery. According to a report released by Reconnecting America, there are an estimated 413 planned and proposed new fixed guideway transit projects (including both bus and rail) spanning across the U.S., worth an estimated $233 billion.[43] Of these projects, Los Angeles, Washington DC, San Diego, Minneapolis-St. Paul, Chicago, Seattle, Atlanta, Detroit, New York Metro and Salt Lake City lead the nation with the largest number of planned projects- for a total of 273 transit lines.[44] While each of these projects is in a different place, including some in the very early planning stages, some have fully developed plans and others are already under way. In

addition, numerous big city transit agencies have plans to significantly upgrade or replace existing equipment in the next few years.[45]

Using some of the tools that we already have, like the USEP, we can create a template for a comprehensive program for transit procurements that can tap into new and expanded economic development opportunities. At a time when Americans are experiencing record unemployment, we can close off some of the loopholes that have allowed high value transit manufacturing work to leave this country, incentivize a deep investment in our domestic manufacturing industry and use tax dollars to leverage jobs for our communities.

Based on the experience of recent years, the following represents a set of ideas that – taken together– could result in a significant improvement in the number and quality of U.S. manufacturing jobs created as a result of public transit procurement across the country.

1. DEVELOP A "MODEL PROCUREMENT PROGRAM", AS WELL AS FORMULAS AND STANDARDS FOR "BEST PRACTICE" CALCULATION OF JOBS AND ECONOMIC DEVELOPMENT BENEFITS IN A BEST VALUE PROCUREMENT:

The heart of this project would be the development of a "model procurement program" that would include basic criteria as well as a methodology and standards for calculating and valuing job creation and economic development in transit procurements. The model procurement program would be built upon some of the initial ideas developed by LAANE and the Los Angeles County Metropolitan Transportation Authority in 2011 for the rail car purchase. A new and enhanced version of these criteria and guidelines would be developed as a "best practices program" designed to dramatically improve U.S. job and economic development outcomes in the context of a best value rolling stock procurement. The best practices program would be set up to give transit agencies across the country a very specific tool to create significantly more U.S. jobs and economic investment with the same dollar amounts.

Best Value Procurements:

Much work has already been done in the transit world around the creation of a "best value" approach to the procurement of rolling stock, which allows transit agencies to consider and balance multiple factors in their decisions around the purchase of equipment, apart from low cost. [46] Typically, best value procurements allow transit agencies to consider factors such as contract performance, and quality of the product in addition to cost so that transit agencies are not forced to simply pick the cheapest buses or railcars in response to an open RFP. While many states and federal jurisdictions have rules around best value contracting, the most important guiding legal principle seems to be the need for specificity and clarity in the type of evaluation factors and their respective weights in the overall decision-making. While the number and quality of manufacturing jobs have rarely been considered under the current structure of best value procurements, the context of these contracting rules provides a great

framework for the insertion of a method and standards to value jobs and economic development without violating state or federal laws.

Developing a Model Procurement Program:

A model procurement program would be carefully developed based on the LA model. Because of federal law, the employment plan language would be crafted in a geographically neutral way, which would emphasize the creation of U.S. jobs, rather than jobs in a particular geographic region. The language would be created to incentivize the creation of permanent manufacturing jobs, higher quality jobs, workforce development, as well as access to those jobs by long-term unemployed and people from disadvantaged communities.

After the model procurement employment plan language is developed, the project would then create a set of procedures and a methodology for fairly and transparently implementing the plan in the context of a public transit rolling stock procurement.

Stakeholder Process:

The project would seek to work with three levels of stakeholders to design the criteria, and then develop the implementing formulas and suggested procedures. First, neutral institutions specializing in economic analysis, such as the Brookings Institution and economists from the University of Southern California and/or the University of Massachusetts, Amherst, would be asked to work with a group of nonprofit and philanthropic organizations to design criteria for the model procurement program as well as to develop the economic trade-off analysis, as described below. In addition the project would create an advisory panel – made up of rail car and bus manufacturers from the U.S. – to give input into the creation of the standards and analysis that best reflect the industrial processes most common in the manufacture of rail cars and buses. This draft model procurement criteria and guidelines would then be submitted to the Department of Transportation for review and comment, in particular in relation to the compatibility of the proposal with federal procurement law and regulation.

"Responsiveness" Criteria:

While the exact elements of the model procurement program and implementation procedures have yet to be developed, based on recent experience in the Los Angeles railcar procurement, the best practices guidelines would likely need to be designed in two separate parts. The first part would be a set of criteria that bidders on a particular contract would have to meet to demonstrate a minimum level of "**responsiveness**" to the bid criteria and therefore qualify to move along in a competitive, best value process. The second part would be a financial trade-off analysis that would seek to value U.S. job creation and economic investment in a way that would effectively reduce the price of the vehicle by the amount of investment in American job creation, workforce development and economic development.

In terms of the "responsiveness criteria," proposers could be asked to submit the following kinds of information:

1. letter or letters from a list of vetted non-profit or government institutions involved in providing workforce training to low income people, attesting to partnerships with any proposer around training and workforce development
2. The dollar amount committed to workforce development and training of permanent workers are
3. An identified site—with a signed letter of intent or lease agreement-- for the location of the manufacture of goods being procured
4. If a new facility is being proposed, a dollar commitment to construction of the new production facility
5. Description of the range of employment opportunities in connection with the contract and minimum requirements for the position – career ladder and development opportunities should be made available for those individuals with little training or experience
6. A description of benefits in addition to base pay and salary

In order to move to the second stage of the procurement, any bidder on the RFP would have to submit sufficient information – like the type referenced above – to be "responsive" to the model procurement program's jobs plan requirement. Failure to submit the minimum amount of information would be a disqualifying factor in the procurement. The mere submission of sufficient information, however, would allow the bidder to move on to the final stage of the competition.

Price Trade-Off Analysis:

The second component of the evaluation around job creation and economic development would be based on the Price Trade-Off Analysis developed by Metro in 2011 to implement the U.S. Employment Plan used in the LA railcar bid. The purpose of the price trade-off analysis formula would be to create a fair and transparent valuation of U.S. job creation and economic investment that could then be deducted from the proposed price of the vehicle. This price trade-off analysis would be designed to help level the playing field for manufacturers with a deep domestic presence and/or those willing to commit to greater permanent American job creation in the wake of competition from companies proposing to build significant portions of the rail cars and buses outside of the country.

As evidenced by the experience in the LA procurement, however, these formulas need to be developed with a clear methodology by neutral economic institutions in collaboration with federal transit officials and non-profit workforce development organizations to ensure that the subsequent analysis in a particular procurement is fair, transparent and legally sustainable. The following are **examples** of the kind of formulas and standards that could be developed for the price trade-off analysis:

- A clear and simple methodology for the jobs calculation that would allow proposers to consistently calculate and receive fair credit for all U.S. job creation and retention related to the contract; this metric would be one that allows for clarity around the number, duration and quality of jobs proposed

- A methodology to assess – in a verifiable way – the value of jobs created along the supply chain by subcontractors
- A potential multiplier to give extra credit to bidders who propose to create permanent manufacturing jobs
- A recommendation on how best to incorporate funding for training and workforce development in the price trade-off analysis
- A recommendation on how best to consider funding for the construction, expansion or rehabilitation of a U.S. facility in the price trade-off analysis.

Importance of Strong Overall Best Value Procurement Recommendations and Weighting Criteria:

In addition, the model procurement project would explore and create a suggested methodology for weighing different categories of criteria in a best value procurement to ultimately ensure the purchase of a great product from a high-performing company at the most reasonable price. While the creation of quality jobs is an important and even essential criterion for the public purchase of equipment, it is certainly not the only important criteria. To be successful, this project needs to create a best value procurement model that helps public agencies appropriately balance all of the important considerations for the purchase of transit equipment.

Coordination with the U.S. Department of Transportation:

The model procurement criteria, methodology and standards would be developed in collaboration with the appropriate agencies at the U.S. Department of Transportation, to ensure that the program conforms to all federal guidelines, regulations, and statutory authority. This would ensure that any agency wishing to use federal dollars to purchase transportation equipment could implement the U.S. Employment Plan - with full confidence that the program conforms to federal law.

In the future, we could seek to elevate the federal guidance to the level of recommended best practices, which could be uploaded to the various DOT agency websites and could be promoted as a tool to ensure improved U.S. employment outcomes related to transit procurement.

2. TRAINING AND TECHNICAL ASSISTANCE PROGRAM AROUND THESE BEST PRACTICES:

Once the criteria, formulas and guidelines are developed and legally vetted by the federal government, the next step will be to design and implement a training and technical assistance program both for transit agency officials, as well as for OEMs and major suppliers. A best practices manual would be developed for transit agencies which would have detailed information about recommended program, standards and implementation guidelines that will ensure conformance with federal and state laws.

This manual would then be widely circulated within public transit agencies and the project would then seek to work with nonprofit advocacy groups, labor unions representing transit employees and trade groups representing transit officials to conduct trainings around the implementation of these best practices.

Finally, a comprehensive communications program would be developed to support transit agencies and groups in the different regions advocating for improved jobs and economic development outcomes related to public procurements around transit equipment.

3. RESEARCH ON UPCOMING TRANSIT EQUIPMENT PROCUREMENT AT THE LOCAL, STATE AND NATIONAL LEVELS, WITH SPECIFIC ESTIMATES ON TIMING AND SEQUENCING FOR THE BIGGEST PROJECTS:

Experience with past procurements shows us that estimating the funding, timing and sequencing for major public purchases of rolling stock is a tricky business. Funding sources are fickle – especially in times of recession – and a procurement process almost always takes longer than originally estimated. So, while a significant amount of work has already been done to look at long range plans by major regional transit agencies, additional research needs to be done to monitor which projects are able to secure funding and move forward.

This research program would start with a review of the existing body of work around the analysis of planned and projected transportation build-outs, summaries of those plans and media/press searches to develop a targeted list of major transit procurements. The program would start by culling the dataset recently assembled by Reconnecting America – cited above – so that the major purchases of rail cars and buses by transit agencies engaged in the construction of *new* fixed guideway projects can be identified. Then, a brief survey of transit officials would be conducted to identify major planned equipment upgrade and rehabilitation programs as well as to develop a realistic timeline and funding probability estimate for the largest transit agencies and transit investments in the country.

4. ADVOCACY PROGRAM THAT TARGETS 5-7 OF THE LARGEST TRANSIT EQUIPMENT PROCUREMENTS IN THE U.S.:

The final component of this model procurement program would be the targeting of 5 –7 major transit equipment procurements in the U.S. to ensure that the new best practices are successfully implemented by transit agency staff and that the optimal job creation and economic development outcomes are achieved. To be successful, community and economic development groups in those regions would need to be engaged in this effort in a long-term program that starts with the creation of the RFP language for the procurement, to the final award of the contract, a process which can take between one and three years.

Experience from many groups already working on public procurements shows that success around each of these procurements will require the development of a comprehensive program that includes coalition building, relationship building with transit officials, the ability to research and analyze the different bid proposals, relationship building with manufacturers around the job creation and workforce development components of the proposals as well as advocacy with transit agency decision-makers.

To be successful, this program will likely require the creation of 5-7 separate, coordinated efforts around the different procurements as well as a national program to encourage the OEMs to increase the level of commitment to U.S. job creation and economic development in multiple regions.

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