

GAO Highlights

Highlights of [GAO-15-676](#), a report to the Honorable Matthew Cartwright, House of Representatives

Why GAO Did This Study

Buses are critical to the nation's public transportation services. According to data from FTA's National Transit Database, buses carry more passengers than all other modes combined. FTA provides grants to transit agencies to buy buses. When making these purchases, agencies must comply with a range of federal requirements. GAO was asked to review the transit bus market and federal role in bus procurement.

This report examines (1) the characteristics of the U.S. transit bus market, (2) the federal role in transit bus procurement, and (3) views of selected transit agencies on challenges, if any, agencies face when procuring new buses and federal actions that could address those challenges. GAO reviewed FTA's National Transit Database data from 2004 and 2013 and applicable federal law, regulations, and grant documents; conducted six discussion groups with representatives of 36 rural and urban transit agencies; and interviewed FTA and GSA officials, national transit industry organizations, and transit bus manufacturers.

What GAO Recommends

GAO recommends FTA update its *Best Practices Procurement Manual*, assess its other related guidance, and update that guidance as needed. GAO also recommends FTA work with GSA to develop a legislative proposal to authorize transit agencies that receive relevant FTA grants to access GSA sources of supply for the purchase of transit buses. FTA and GSA agreed with our recommendations

View [GAO-15-676](#). For more information, contact David J. Wise at (202) 512-2834 or wised@gao.gov.

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PUBLIC TRANSIT

Updated Guidance and Expanded Federal Authority Could Facilitate Bus Procurement

What GAO Found

Overall, the number of manufacturers of transit buses has declined in recent years, but bus production has remained constant. Transit agencies purchase over 5,000 buses per year—about half are heavy-duty buses and half are smaller buses called “cutaways” because they consist of a bus body on top of a chassis built by another manufacturer. The number of firms that produce most heavy-duty transit buses declined from 10 in 2004 to 4 in 2013, the latest year data were available, due to business failures and consolidation. In contrast, the number of firms that produce most cutaways increased over the same time frame from 13 to 15. The number of buses procured annually by transit agencies from 2009–2013, using grant funds other than American Recovery and Reinvestment Act (Recovery Act) funds, ranged from 4,670 to 5,652. Transit agencies and others used Recovery Act funds to purchase 7,544 more buses in 2009 and 2010.

The amount of Federal Transit Administration's (FTA) grant funding that transit agencies used for bus procurement increased from \$794 million in 2009 to \$1.3 billion in 2013. Also, agencies spent \$1.7 billion in funds from the Recovery Act on buses from 2009 to 2010. FTA oversees transit agencies by requiring them to certify their compliance with a range of federal requirements and by periodic reviews. FTA also provides bus procurement guidance and technical assistance. However, GAO found that some resources provided by FTA, such as its *Best Practices Procurement Manual*, reference obsolete FTA documents. Without updated guidance, transit agency officials may not be able to purchase buses as efficiently as possible because they may need to spend additional time researching the guidance or to repeat a required step in the procurement process.

Transit agency officials GAO spoke with identified a range of challenges they face when procuring buses. Those challenges include difficulties in complying with federal procurement requirements. For example, officials reported that it is time consuming to comply with a requirement to certify that at least 60 percent of the bus's components are made in the U.S. because the agency must conduct pre- and post-award reviews of bus manufacturers. Transit agency officials in four of six discussion groups also identified the procurement process as difficult and resource-intensive, particularly for those transit agencies that do not purchase buses each year and may lack procurement capacity. Transit agency officials in four of six discussion groups stated these challenges could be addressed by allowing agencies access to General Services Administration's (GSA) sources of supply. Purchasing through GSA could allow agencies to decrease the time they spend on bus procurements since GSA would be responsible for ensuring that vehicles comply with federal procurement requirements. Further, purchasing through GSA could result in lower prices for buses, given GSA's ability to purchase vehicles well below the dealer invoice. According to FTA and GSA officials, both agencies have explored the feasibility of establishing a process to allow transit agencies to procure buses through GSA, but neither agency has developed a legislative proposal requesting that Congress grant authority to allow transit agencies to do so. In the past, nonfederal entities, such as state and local governments, have been authorized to purchase items through GSA.