



**CONSTRUCTION COMMITTEE  
JUNE 20, 2001**

Metropolitan  
Transportation  
Authority

One Gateway Plaza  
Los Angeles, CA  
90012-2952

**PROJECT: SYSTEMWIDE SAFETY ENHANCEMENTS**  
**CONTRACT: E0110, SYSTEMS ENGINEERING & ANALYSIS  
BOOZ-ALLEN & HAMILTON, INC.**  
**ACTION: APPROVE AN INCREASE IN THE AUTHORIZATION  
FOR EXPENDITURE IN THE AMOUNT OF \$110,209**

**RECOMMENDATION**

Approve an increase in the Authorization for Expenditure (AFE) to Contract No. E0110 for Systems Engineering and Analysis, with Booz-Allen & Hamilton, Inc. (BAH) for Project 800089, to provide funding to settle two claims within staff level authority in the amount of \$110,209, increasing the current Systemwide Safety Enhancements AFE amount from \$657,017 to \$767,226, increasing the total contract AFE in the amount of \$110,209 from \$6,232,475 to \$6,342,684.

Within Construction Committee authority:  Yes  No  N/A

**BACKGROUND**

Contract No. E0110 is a cost plus fixed fee, federally funded procurement, for systems engineering and analysis services. The scope of work consists of rail activation technical support, emergency drills, resolution of mechanical/electrical anomalies, integrated testing, safety and reliability testing and special studies to support Operations and Maintenance, Safety and Systems Assurance, and Fare Collection for Systemwide projects.

On December 20, 1995, Contract No. E0110 Systems Engineering and Analysis was awarded to Booz-Allen & Hamilton, Inc. in the amount of \$2,552,800. The contract period of performance was from January 1, 1996 through December 31, 1997.

The Contract was extended from January 1, 1998, through December 31, 1998 at no additional cost. On November 25, 1998, the MTA Board approved exercising Option 1 for the period of January 1, 1999 through December 31, 1999. The MTA Board approved Option 2 of the Contract at its January 27, 2000 meeting for the period January 1, 2000, , through December 31, 2000. The Federal Transportation Administration (FTA) authorized a waiver of the five year contract limitation rule by

letter dated November 21, 2000. On April 18, 2001 the MTA Board approved an extension of the Contract period from January 1, 2001 to December 31, 2001.

This action will have no impact on the Contract performance period as it concerns claims for actions taken within the first two years of Contract performance.

Final price negotiations were not completed on the contract until April 7, 1997. Between January, 1996 and October 31, 1996, BAH was issued two Letter Contracts/Limited Notices to Proceed (LNTP) totaling \$400,000 and fifteen Letter Contract Contract Work Orders (CWOs) totaling \$170,500, authorizing BAH to commence work on various projects for specified periods of performance, and utilizing provisional labor rates and estimated hours.

Between November, 1996 and March, 1997, BAH was orally directed by the MTA Construction Department Contract Administrator and project management staff at that time to continue working past the periods of performance specified in the various LNTPs and CWOs, with the assurance that once negotiations were completed BAH would receive the appropriate paperwork and compensation for the services provided.

The continuation of services by BAH was based on the need to maintain the schedules for the various projects covered by the LNTPs and CWOs. Consequently, BAH continued to provide the required support, although written authorization to continue working past the original periods of performance had not been processed.

A Stop Work Order was issued on March 4, 1997. No further costs were charged against the overextended LNTPs and CWOs after that date. BAH was advised that MTA staff and BAH would address the overextended LNTPs and CWOs and resolve them as the contract progressed, however, they were never resolved and BAH finally submitted them as formal claims during the months of March and April, 1999.

Merit has been found on both claims in accordance with the requirements of the MTA Policies and Procedures Manual, and MTA project staff has determined that the MTA has received reasonable value for the Contractor's efforts. A close-out audit will be performed on this entire contract, including these claims, after contract completion on December 31, 2001. BAH has agreed that settlement of the claims is contingent upon final audit and downward adjustment only during the Contract Closeout.

Staff has completed negotiation of these claims. Neither claim exceeds staff authority to resolve and execute. A summary of the claims and their resolution is provided below.

#### **Systemwide Safety Enhancements – Project 800089**

<b>CWO No. (Claim No.)</b>	<b>Claim Amount</b>	<b>Cost Analysis</b>	<b>Settlement Amount</b>
403	\$55,434	\$51,630	\$54,914
401	\$56,842	\$51,173	\$55,295
<b>Total</b>	<b>\$112,276</b>	<b>\$102,803</b>	<b>\$110,209</b>

Settlement of these outstanding claims now will avoid further delay and a potential for increased costs.

Staff has taken the necessary steps to avoid a repetition of the circumstances which caused the claim situation to occur. Both MTA Staff and Contractors have been, and will continue to be, educated as to who, within MTA, has the authority to direct a Contractor to perform and the need to obtain that direction in writing before commencing with work.

As directed by the MTA Board the Executive Officer, Procurement, has initiated a Contracting Officer Warrant Program (COWP) to designate contracting officers with specific instructions on the limits of their authority to bind the MTA.

### **FINANCIAL IMPACT**

Original Contract Award	\$2,752,800
Current Cumulative Contract Value	\$6,232,475
This Action	\$ 110,209
New Cumulative Contract Value	\$6,342,684

#### Project 800089

The funds for this action are available within the Board approved Project Budget. This recommended action will increase the current AFE by \$110,209 from \$657,017 to \$767,226. The current status of the contract including the impact of this recommended action is shown in Attachment 1. This recommended action does not impact the MTA Fiscal Year Budget or the Sources of Funds, either in the fiscal year or over the life of the project.

Potential for Cost Recovery:       Yes       No       N/A

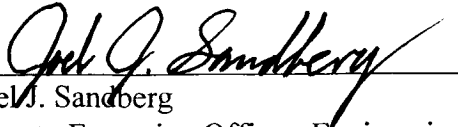
### **ALTERNATIVES CONSIDERED**

The MTA Board may reject this request, however, denying the AFE increase may cause the Contractor to seek other contractual or legal remedies, which may result in additional costs. Staff does not recommend this alternative.

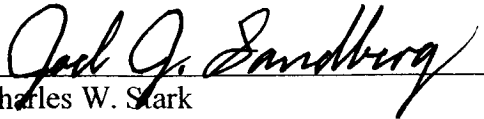
### **ATTACHMENT**

#### 1. Contract Value Status Summary

Prepared by: Jay Smith, Senior Contract Administrator  
David Vila, Contract Administration Manager



Joel J. Sandberg  
Deputy Executive Officer, Engineering

*for* 

Charles W. Stark  
Executive Officer, Construction



Allan G. Lipsky  
Office of the Chief Executive Officer

# ATTACHMENT 1 CONTRACT VALUE STATUS SUMMARY

R89 Safety Improvement Programs  
CHANGE ORDER E0110-C0-0.00

Only shows cost allocated to R89

**CONTRACTOR:** BOOZ-ALLEN & HAMILTON / SYSTEM SAFETY ENHANCEMENT

**ACTION DESCRIPTION:**

## CUMULATIVE CONTRACT WORK ORDER VALUE STATUS

1.	CUMULATIVE AWARD AMOUNT:[1]	\$209,373.00	(Includes \$0.00 in Planned Scope Amendments)
2.	PREVIOUSLY EXECUTED CHANGES:	\$244,137.13	
3.	CURRENT VALUE: (1+2)	\$453,510.13	
4.	AUTHORIZED WACN/LNTP'S (NTE):	\$0.00	
5.	OBLIGATED VALUE: (3+4)	\$453,510.13	
6.	VALUE OF THIS ACTION:	\$0.00	
7.	NEW VALUE (IF APPROVED): (5+6)	\$453,510.13	

*Contract Work Order Value Status Reviewed by MTA Procurement:*

## CUMULATIVE AUTHORIZATION FOR EXPENDITURE STATUS

## AFE INCREASE REQUIRED/REQUESTED:

8.	MTA APPROVED AFE:	\$657,017.13	
9.	NEW VALUE: (Line 7)	\$453,510.13	
10.	REMAINING AFE: (8-9)	\$203,507.00	\$0.00 For this action
11.	OTHER PENDING CHANGES (merited)	\$423,925.00	
12.	REMAINING AFE VALUE (w/Changes: 10-11)	(\$220,418.00)	\$220,418.00 For all merited changes (projected cost)
13.	ALLOWANCE FOR OTHER POTENTIAL CHANGES:	\$110,209.00	
14.	REMAINING AFE VALUE (w/Allowance: 12-13)	(\$330,627.00)	\$330,627.00 For all merited and undefined changes

## CUMULATIVE BUDGET STATUS

## BUDGET VARIANCE (Initial to Current)

15.	INITIAL BUDGET:	\$47,015.00	
16.	CURRENT BUDGET:	\$657,017.13	\$610,002.13 Initial to Current Budget
17.	NEW VALUE (IF APPROVED): (Line 7)	\$453,510.13	
18.	REMAINING BUDGET: (16-17)	\$203,507.00	
19.	OTHER PENDING CHANGES (merited) (Line 11)	\$423,925.00	
20.	REMAINING BUDGET w/Changes (18-19)	(\$220,418.00)	

*Contract Budget Status Reviewed by MTA Program Control:*

*DATE:*

LINE 16 "CURRENT BUDGET" REFLECTS THE CUMULATIVE PROPOSED TRANSFER AMOUNT IDENTIFIED IN FINANCIAL IMPACT STATEMENT.

[1] - Award Amount includes initial award and Planned Scope Amendments