

EXHIBIT 5a(i)(5)

10-27-2011 Response to the DOT

October 27, 2011

Mr. Dominick J. Gatto, PE
Director, Office of Program Management and Oversight
U. S. Department of Transportation
Federal Transit Administration, Region V
200 West Adams Street, Suite 320
Chicago, Illinois 60606-2789

**Re: PSR Final Report October, 2011 (Second Submittal)
LTK and Nippon Sharyo Contracts**

Dear Mr. Gatto:

In response to the Procurement System Review (PSR) Final Report dated July 21, 2011, this letter transmits Metra's second October, 2011, supplement to responses previously submitted.

The PSR identified four contracts as having serious deficiencies. Given the gravity of these findings, a considerable amount of time has been spent addressing them in particular. We have requested that the Terry's Ford contract be closed based upon prior submittals. As part of our first October submittal, we included our response to another of these contracts—the EMS contract for quality assurance oversight and general program support. We are now submitting our response to the final two contracts—LTK Engineering Services and Nippon Sharyo USA, Inc.

Recently, you noted the importance of expeditiously addressing the PSR deficiencies. As we noted in our letter to you of October 21, 2011, we will continue to diligently work to complete the remaining elements.

We believe these submittals show significant progress and our commitment to addressing the issues raised by the PSR. We ask for your continued patience as we complete our responses and develop enhancements to our procurement process.

Sincerely,



Lynnette H. Ciavarella
Senior Division Director
Strategic Capital Planning/Grants Development

Attach.

cc: w/o attachment
Lisa Joiner, FTA
Alexander Clifford, Metra
Theresa Barnett, Metra
Eric Fernandes, Metra
Paul Kisielius, Metra
David Simmons, Metra

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LTK DEFICIENT CONTRACTS							
Letter	Contractor	No.	Element	Type of Solicitation	Contract Number	Award Amount	Contract Description
A	LTK Engineering Services	7	Independent Cost Estimates	RFP	91240	\$750,000.00	Blanket Signal Engineering Services
		16	Written Procurement Selection Procedures				
		18	Award to Responsible Contractor				
		19	Sound and Complete Agreement				
		37	Price and Other Factors [RFP]				
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LTK Engineering Services (LTK) Contract K91240
Procurement System Review Responses

Independent Cost Estimates (Element #7):

According to the Procurement System Review Final Report (PSR), the procurement file **did not contain back-up documentation** for the cost estimate for the signal blanket requirements. While Metra did include a cost estimate for the signal blanket requirements in the Request for Proposal ((RFP), see Attachment A of RFP), we agree that the **file** did not contain the relevant back-up documentation.

LTK received a contract for design engineering for portions of the Positive Train Control (“PTC”) project. We have attached the estimated cost for the entire PTC project, in the amount of \$50,466,437, that was prepared prior to the solicitation by Metra’s technical experts. The estimate for the design engineering portion of the project is \$6,816,600. The main funding for the PTC project is coming from the State Bond program, which is not expected to be received until 2012. In order to meet Congress’ mandated installation date for PTC of 2015, we could not wait until Metra received the 2012 funding and we needed to start the design work sooner. Therefore, in order to stay on schedule and start the design engineering for the PTC project, we elected to award a \$750,000 start-up contract for a portion of the larger budgeted cost. This smaller amount was all that was needed to start the design engineering and keep us on schedule until the 2012 funding arrives. We have also attached a memo to file from the Department Head, Materials Management showing the estimated cost for the task order (\$750,409.31).

In addition, Metra’s Procedures require cost estimates, as well as other supporting back-up records, to be kept in the file or with the department (see attached Architectural and Engineering Services Contracts (Brooks Method), Metra’s Procedure PU-08-RC). For this particular contract, the appropriate in-house technical experts determined: (1) the type of contract needed to perform the signal work required for the upcoming year; and (2) the amount of the signal blanket contract to be awarded based on the tasks that were described in the RFP. The attached proposed revised Procedure PU-08-RC reflects that all documentation (with the exception of drawings/plans/maps) needs to be kept in the **procurement file**.

The Senior Division Director, General Administration will conduct an Element-by-Element review with all of the appropriate members of the Procurement and Professional Services staff. The training sessions will review each deficiency and the appropriate corrective action(s) to be implemented. The review will include an analysis of the PSR findings, as well as the purpose and execution of the corrective action. The Senior Director will document when they were held, which Elements were discussed, and who attended the training session. This documentation will be held in the PSR final report file. In addition, Metra will pursue available training provided by FTA, NTI, or other existing sources. We will offer to host courses so that we may include as many Metra Procurement staff as possible. To the extent that existing training does not cover certain topics, we will be issuing an RFP for a consultant to develop specialized training.

Lastly, Audit will commence an independent audit within 120 days of the acceptance of final corrective actions by the FTA. The 120 days should provide adequate time for selecting a sample of procurement awards for our audit to confirm that Metra is following procedures and corrective actions consistently and to issue the report as recommended.

Written Procurement Selection Procedures (Element #16):

As noted by the PSR, Metra's procedures correctly state that Metra will establish criteria and evaluate the proposals based on those criteria. We rank the proposals based upon those evaluations, and the highest ranked firms are brought in for interviews. Based upon those interviews, the proposals are ranked again, using the aforementioned criteria. However, the PSR noted that the language regarding the follow-up evaluation is not in the RFP documents. Metra has revised its procedures to require this language be put in the RFP and revised the RFP template to include it. (See attached proposed revised Procedure PU-08-RC and new RFP template.)

In addition, the PSR criticized Metra's method of evaluation, stating that its consensus scoring, as opposed to having individual scores from each team member, created a lack of transparency. Metra's practice actually corresponds with FTA Best Practices and includes requiring each evaluation team member to score the proposals independently, and then to come together and discuss the scores in order to reach a consensus (see attached FTA BPPM). However, these steps are not currently detailed in Metra's procedures. Attached please see the proposed revised Procedure PU-08-RC, which incorporates these steps and requires all discussion notes to be in the file.

The Senior Division Director, General Administration will conduct an Element-by-Element review with all of the appropriate members of the Procurement and Professional Services staff. The training sessions will review each deficiency and the appropriate corrective action(s) to be implemented. The review will include an analysis of the PSR findings, as well as the purpose and execution of the corrective action. The Senior Director will document when they were held, which Elements were discussed, and who attended the training session. This documentation will be held in the PSR final report file. In addition, Metra will pursue available training provided by FTA, NTI, or other existing sources. We will offer to host courses so that we may include as many Metra Procurement staff as possible. To the extent that existing training does not cover certain topics, we will be issuing an RFP for a consultant to develop specialized training.

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Award to Responsible Contractors (Element #18):

The PSR noted that Metra has a process in place to indicate contractor responsibility, but that documentation was not provided on the bid tabulation sheet. While Metra did determine that LTK was a responsible proposer, we agree it was not checked on the bid

tab sheet. However, part of the written history of the solicitation, dated September 3, 2009 (see attached), does explain Metra's process and does note that the evaluation committee initially reviewed all the proposals for technical responsiveness and *responsibility*. In addition, the scoring sheets (see attached) for the evaluation committee show that the (1) firm's previous experience and (2) project's team's ability and experience were evaluation criteria, and part of that included assessing prior work performed by the firm. With respect to debarment, the Affidavit/Certifications regarding debarment for all proposers, including LTK, were properly signed and notarized, and were checked as part of the review for responsiveness (see attached signed/notarized Affidavit/Certification). Moreover, procurement staff checks the federal list of debarments to ensure prospective contractors are not banned from contracts (www.epls.gov/ (Excluded Parties List System)). Lastly, the "Responsibility Determination Form" that Dr. Harris provided in the PSR (see attached, modified to apply to Metra) is now incorporated into Metra's proposed revised procedures (see attached) and part of the bid/proposal pre-award review process, and will be part of all contract files.

The Senior Division Director, General Administration will conduct an Element-by-Element review with all of the appropriate members of the Procurement and Professional Services staff. The training sessions will review each deficiency and the appropriate corrective action(s) to be implemented. The review will include an analysis of the PSR findings, as well as the purpose and execution of the corrective action. The Senior Director will document when they were held, which Elements were discussed, and who attended the training session. This documentation will be held in the PSR final report file. In addition, Metra will pursue available training provided by FTA, NTI, or other existing sources. We will offer to host courses so that we may include as many Metra Procurement staff as possible. To the extent that existing training does not cover certain topics, we will be issuing an RFP for a consultant to develop specialized training.

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Sound and Complete Agreement (Element #19):

The PSR stated that the agreement did not specify whether it was a firm-fixed-price or a cost-plus-fixed-fee contract. Section 2 of the Contract (see attached) and the referenced Metra 4400 Form are interpreted to mean that the prescribed payment for each task assigned by Metra is on a not-to-exceed cost reimbursement basis with the consultant's profit capped and tied to the not-to-exceed contract price. The consultant is not always entitled to the entire amount of the profit; the amount of the profit depends upon the actual cost of work completed. For blanket contracts such as LTK's, a 4400 Form is completed by the contractor for each task assigned in accordance with the RFP Exhibit 2, cost or price schedule (see attached). The not-to-exceed cost reimbursement includes all amounts payable by Metra to the consultant for the task assigned. Additionally, the above-referenced Section 2 provides that the consultant shall be paid only for the actual

work completed at the prescribed rates, not to exceed the percentage of work completed as of the end of the billing period. In order to understand what procedures and/or forms need to be revised, Metra would like to discuss this Element further with the FTA.

The Senior Division Director, General Administration will conduct an Element-by-Element review with all of the appropriate members of the Procurement and Professional Services staff. The training sessions will review each deficiency and the appropriate corrective action(s) to be implemented. The review will include an analysis of the PSR findings, as well as the purpose and execution of the corrective action. The Senior Director will document when they were held, which Elements were discussed, and who attended the training session. This documentation will be held in the PSR final report file. In addition, Metra will pursue available training provided by FTA, NTI, or other existing sources. We will offer to host courses so that we may include as many Metra Procurement staff as possible. To the extent that existing training does not cover certain topics, we will be issuing an RFP for a consultant to develop specialized training.

Lastly, Audit will commence an independent audit within 120 days of the acceptance of final corrective actions by the FTA. The 120 days should provide adequate time for selecting a sample of procurement awards for our audit to confirm that Metra is following procedures and corrective actions consistently and to issue the report as recommended.

Price and Other Factors (Elements #37):

The PSR noted that there did not appear to be any record of price negotiations for this contract. Metra's initial response stated that it had not conducted any price negotiations for this contract. That was not accurate and we apologize. Upon further research and consultation with the appropriate personnel, Metra respectfully requests permission to amend that answer.

As explained in Metra's response to Element #7, this award was for a blanket type contract, and a not-to-exceed total dollar amount was determined before the solicitation process started. However, Metra's procedures require offer negotiations with the highest ranked proposer (see attached Procedure PU-08-RC), and there were rate negotiations before the award date (November 11, 2009) of the contract. In fact, LTK submitted hourly rates for its employees (see attached LTK 2009 Hourly Rate Schedule), but the rates for two employees were rejected as too high (see attached memo from Metra dated September 30, 2009). Thereafter, the firm reduced those rates so those individuals could work on the project (see attached invoice showing the lower, negotiated rates for those individuals). Although the memo does not specifically use the term "negotiate," this process required negotiation before a recommendation for award could be made. (See attached letter to LTK and pages from the contract showing the execution date of 11/11/2009.) Metra will document all future negotiations for A & E type blanket contracts. Metra also seeks clarification from FTA regarding what changes need to be made to the procedures.

The Senior Division Director, General Administration will conduct an Element-by-Element review with all of the appropriate members of the Procurement and Professional

Services staff. The training sessions will review each deficiency and the appropriate corrective action(s) to be implemented. The review will include an analysis of the PSR findings, as well as the purpose and execution of the corrective action. The Senior Director will document when they were held, which Elements were discussed, and who attended the training session. This documentation will be held in the PSR final report file. In addition, Metra will pursue available training provided by FTA, NTI, or other existing sources. We will offer to host courses so that we may include as many Metra Procurement staff as possible. To the extent that existing training does not cover certain topics, we will be issuing an RFP for a consultant to develop specialized training.

Lastly, Audit will commence an independent audit within 120 days of the acceptance of final corrective actions by the FTA. The 120 days should provide adequate time for selecting a sample of procurement awards for our audit to confirm that Metra is following procedures and corrective actions consistently and to issue the report as recommended.

Cost or Price Analysis (Element #41):

The PSR noted that Metra did not have a consistent process in place to complete a cost or price analysis, and documentation of the analysis may have been missing in this file.

Metra's memo dated September 30, 2009 (see attached), shows that a cost review was performed by Metra staff and that memo was in the LTK contract file. In addition, Metra's procedures have now been amended to include the revised Appendix C (now called Price Analysis Documentation Form) that Dr. Harris recommended (see attached proposed revised Procedure PU-08-RC).

The Senior Division Director, General Administration will conduct an Element-by-Element review with all of the appropriate members of the Procurement and Professional Services staff. The training sessions will review each deficiency and the appropriate corrective action(s) to be implemented. The review will include an analysis of the PSR findings, as well as the purpose and execution of the corrective action. The Senior Director will document when they were held, which Elements were discussed, and who attended the training session. This documentation will be held in the PSR final report file. In addition, Metra will pursue available training provided by FTA, NTI, or other existing sources. We will offer to host courses so that we may include as many Metra Procurement staff as possible. To the extent that existing training does not cover certain topics, we will be issuing an RFP for a consultant to develop specialized training.

Lastly, Audit will commence an independent audit within 120 days of the acceptance of final corrective actions by the FTA. The 120 days should provide adequate time for selecting a sample of procurement awards for our audit to confirm that Metra is following procedures and corrective actions consistently and to issue the report as recommended.

Written Record of Procurement History (Element #42):

The PSR noted that the reviewer was unable to determine the reason for the contractor selection or the basis of the contract price. Metra recognizes that this file was not well organized and it was difficult to track all the elements of the procurement history.

Therefore, we have put together the documents that show the process used in this solicitation.

The selection of the contract type as a professional services contract and rationale for the method of procurement (i.e., RFP; A&E) are shown by the attached Requisition and Procurement Procedure PU-08- RC.

The reasons for contractor selection are shown by the evaluation process, which had the following steps. First, the evaluation committee scored the submitted proposals using the pre-established evaluation criteria, and based upon their consensus scores, ranked the proposals (see attached scoring sheet). Based upon those rankings, they recommended firms to be invited for interviews. After interviews, the committee conducted another evaluation/ranking, and then made a recommendation for contractor selection. Parts of: (1) a Memo dated September 3, 2009, from the Senior Director, Materials Management to the Executive Director (see attached); and (2) the final September 4, 2009, recommendation from the Executive Director to the Metra Board of Directors (see attached) do give a written history of the solicitation, explain the process, and do note that the committee reviewed all the proposals for technical responsiveness and responsibility.

The basis for contract price is explained in the attached Memo from Metra's Chief Engineering Officer, Joe Lorenzini, dated May 31, 2011. LTK received a contract for design engineering for portions of the Positive Train Control ("PTC") project. We have attached the estimated cost for the entire PTC project, in the amount of \$50,466,437, that was prepared prior to the solicitation by Metra's technical experts. The estimate for the design engineering portion of the project is \$6,816,600. The main funding for the PTC project is coming from the State Bond program, which is not expected to be received until 2012. In order to meet Congress' mandated installation date for PTC of 2015, we could not wait until Metra received the 2012 funding and we needed to start the design work sooner. Therefore, in order to stay on schedule and start the design engineering for the PTC project, we elected to award a \$750,000 start-up contract for a portion of the larger budgeted cost. This smaller amount was all that was needed to start the design engineering and keep us on schedule until the 2012 funding arrived. We have also attached a memo to file from the Department Head, Materials Management showing the estimated cost for the task order (\$750,409.31).

The contract type is determined prior to the solicitation and the Contract award, and is described in Section 2 of the form Contract included in the RFP (see attached). Section 2 states that the basis for payment for each task assigned by Metra is on a not-to-exceed cost reimbursement basis. For blanket contracts such as LTK's, a 4400 Form is completed by the contractor for each task assigned in accordance with the RFP Exhibit 2, cost or price schedule (see attached). Rates are negotiated before the award of the contract as set forth in Metra's response to Element #37. The not-to-exceed cost reimbursement includes all amounts payable by Metra to the contractor for the task assigned. Additionally, the above-referenced Section 2 provides that the consultant shall

be paid only for the actual work completed at the prescribed rates, not to exceed the percentage of work completed as of the end of the billing period.

In addition, Dr. Harris had provided an Appendix H, "Contract/Purchase Order File Index," which Metra has revised and re-titled, "Checklist – IFB's and Checklist - RFP's" (see attached). They are incorporated into the procurement procedures (see attached proposed revised Procedure PU-08-RC), and staff has begun to utilize them in order to standardize contract organization.

The Senior Division Director, General Administration will conduct an Element-by-Element review with all of the appropriate members of the Procurement and Professional Services staff. The training sessions will review each deficiency and the appropriate corrective action(s) to be implemented. The review will include an analysis of the PSR findings, as well as the purpose and execution of the corrective action. The Senior Director will document when they were held, which Elements were discussed, and who attended the training session. This documentation will be held in the PSR final report file. In addition, Metra will pursue available training provided by FTA, NTI, or other existing sources. We will offer to host courses so that we may include as many Metra Procurement staff as possible. To the extent that existing training does not cover certain topics, we will be issuing an RFP for a consultant to develop specialized training.

Lastly, Audit will commence an independent audit within 120 days of the acceptance of final corrective actions by the FTA. The 120 days should provide adequate time for selecting a sample of procurement awards for our audit to confirm that Metra is following procedures and corrective actions consistently and to issue the report as recommended.

Serial Price Negotiations (Element #52):

The PSR noted that this file contained no documentation showing how the blanket value was arrived at or that price negotiations took place. Metra's initial response stated that it had not conducted any price negotiations for this contract. That was not accurate and we apologize. Upon further research and consultation with the appropriate personnel, Metra respectfully requests permission to amend that answer.

With respect to the issue of how we determined the blanket value of the Contract, we refer you to Metra's response to Element #7 above. The basis for contract price is explained in the attached Memo from Metra's Chief Engineering Officer, Joe Lorenzini, dated May 31, 2011. LTK received a contract for design engineering for portions of the Positive Train Control ("PTC") project. We have attached the estimated cost for the entire PTC project, in the amount of \$50,466,437, that was prepared prior to the solicitation by Metra's technical experts. The estimate for the design engineering portion of the project is \$6,816,600. The main funding for the PTC project is coming from the State Bond program, which is not expected to be received until 2012. In order to meet Congress' mandated installation date for PTC of 2015, we could not wait until Metra received the 2012 funding and we needed to start the design work sooner. Therefore, in order to stay on schedule and start the design engineering for the PTC project, we elected to award a \$750,000 start-up contract for a portion of the larger budgeted cost. This

smaller amount was all that was needed to start the design engineering and keep us on schedule until the 2012 funding arrives. We have also attached a memo to file from the Department Head, Materials Management showing the estimated cost for the task order (\$750,409.31).

With respect to price negotiations, we explained in Metra's response to Element #37 that Metra's procedures require offer negotiations with the highest ranked proposer (see attached PU-08-RC), and there were rate negotiations before the award date (November 11, 2009) of the contract. In fact, LTK submitted hourly rates for its employees (see attached LTK 2009 Hourly Rate Schedule), but the rates for two employees were rejected as too high (see attached memo from Metra dated September 30, 2009). Thereafter, the firm reduced those rates so those individuals could work on the project (see attached invoice showing the lower, negotiated rates for those individuals). Although the memo does not specifically use the term "negotiate," this process required negotiation before a recommendation for award could be made. (See attached letter to LTK and pages from the contract showing the execution date of 11/11/2009.) Metra will document all future negotiations for A & E type blanket contracts. We also seek clarification from the FTA with respect to exactly what price negotiations must take place for blanket agreements before the contract award, and we will incorporate those changes into the procedures.

The Senior Division Director, General Administration will conduct an Element-by-Element review with all of the appropriate members of the Procurement and Professional Services staff. The training sessions will review each deficiency and the appropriate corrective action(s) to be implemented. The review will include an analysis of the PSR findings, as well as the purpose and execution of the corrective action. The Senior Director will document when they were held, which Elements were discussed, and who attended the training session. This documentation will be held in the PSR final report file. In addition, Metra will pursue available training provided by FTA, NTI, or other existing sources. We will offer to host courses so that we may include as many Metra Procurement staff as possible. To the extent that existing training does not cover certain topics, we will be issuing an RFP for a consultant to develop specialized training.

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Clauses (Element# 56):

We understand that the small purchases lack the applicable federal clauses and that issue has been addressed. We have reviewed LTK's contract and believe that all the applicable federal clauses were included in the contract. If this is not the case, we would appreciate additional guidance with respect to those additional clauses that Metra should have included in the contract. However, to insure that the required federal clauses are included in future contracts, Metra will insert as an additional exhibit to all procurements, a comprehensive list of the required federal clauses and copies of those clauses from FTA Circular 4220.1F (see attached Contract Clauses Exhibit). In addition, Metra's

procedures have now been amended to require that the Contract Clauses Exhibit is included in all future procurement contracts, including contracts for small purchases and professional services (see attached proposed revised PU-04-RC and PU-08-RC).

The Senior Division Director, General Administration will conduct an Element-by-Element review with all of the appropriate members of the Procurement and Professional Services staff. The training sessions will review each deficiency and the appropriate corrective action(s) to be implemented. The review will include an analysis of the PSR findings, as well as the purpose and execution of the corrective action. The Senior Director will document when they were held, which Elements were discussed, and who attended the training session. This documentation will be held in the PSR final report file. In addition, Metra will pursue available training provided by FTA, NTI, or other existing sources. We will offer to host courses so that we may include as many Metra Procurement staff as possible. To the extent that existing training does not cover certain topics, we will be issuing an RFP for a consultant to develop specialized training.

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From July 21, 2011, PSR Final Report

7. Independent Cost Estimates

Basic Requirement: Chapter VI, Section 6 of FTA C 4220.1F requires that: "... in connection with every procurement action ... grantees must make independent estimates before receiving bids or proposals." Establishing a cost estimate in advance of the offer using a method independent from the perspective of offerors ensures a clear basis for analysis of cost or price, and provides essential procurement and financial planning information. Independent cost estimates are made by qualified engineering and functional staff who have first-hand knowledge of the commodity or service being purchased. The cost estimate is developed based on product knowledge, experience, and market status, and is used in performing price and cost analysis.

Discussion: Of the fifty-five (55) procurements reviewed, ten (10) were found to be deficient in this area. While Metra does include an estimate on their requisition, this process was not consistently followed. In addition, back-up documentation for the estimates listed on the requisition was not evident in the procurement files and Metra's policies and procedures do not require independent cost estimates for the sealed bid method of procurement.

Best Practices: Best Practices for obtaining independent cost estimates include:

- Estimates are received from design firm or in-house technical personnel for construction work,
- Published price lists or past pricing with inflation factors are analyzed, and
- Independent third-party staff member (not impacted by final procurement) develops these estimates.
- Use of a standard form, such as the template that appears in Appendix D is recommended.

Corrective Actions: Adherence to the requirement for independent cost estimates must be monitored and enforced consistently. To achieve compliance, Metra must respond within thirty (30) days from the date of the final report and provide detailed procedures, evidence of training and evidence of independent audit confirming that procedures are being followed consistently.

Metra's Response: As part of Metra's Pre-Award Activity, and listed on Metra's Checklist is, "Receiving an independent Cost Estimate of Contract/Purchase Order Valuation." Metra uses this checklist as part of our contract file administration.

Going forward emphasis will be placed upon the appropriate staff to improve supplying adequate supporting documentation.

Reviewing Contractor's Response: The proposed corrective action and response to the deficiency is not adequate. Evidence of the required independent cost estimate was not present in many of the reviewed procurement files. Copies of revised procedures and processes, evidence of training, and independent audit reports validating the use of compliant procedures must be provided to FTA within 30 days of the date of the final report.

ATTACHMENT A

(revised 4-1-09)

ENGINEERING DEPARTMENT TABLE OF CONTRACTS

We intend to award the following contracts under this MRFP for the Engineering Department. Note that Metra reserves the right to award more, fewer, or none of the estimated number of contracts listed below. In addition, the amounts stated for the contracts are estimates only and Metra reserves the right to award contracts in greater or lesser amounts. Place an X next to the projects you want your proposal to be evaluated for. A separate rating will be given to your proposal for each of the projects below that you want to be considered for. DO NOT indicate interest in project(s) that you are neither interested nor qualified for; this will only cause unnecessary work and delay to all parties involved.

BOOK NO. 1

1. **Three Mechanical / Electrical Blanket Engineering Services** _____
Provide mechanical / electrical engineering and construction management services for various Metra projects. Possible projects intended for this contract are, one MED Fueling Facility Improvements, one MWD Western Avenue shop improvements, one RID 47th Street Yard car equipment crane and one BNSF 14th Street Shop sand tower improvements . 2 @ \$400K, and 1 @ \$350K – DBE Goal 25% (See Attachment A-1 for a complete description)

2. **Two Civil / Structural Blanket Design Engineering Services** _____
Provide civil / structural engineering services for various Metra projects. Potential projects are two SWS bridges, one RID bridge, and civil/structural bridge inspection. 1 @ 500K and 1 @ \$250K - DBE Goal 25% (See Attachment A-2 for a complete description)

3. **Three Blanket Station and Parking Lot Design** _____
Provide design engineering services for the design of Metra stations and Parking lots. Projects will include the construction of new and/or the rehabilitation of existing facilities. Consulting Engineer should be familiar with Metra's requirements for these types of facilities as well as possess knowledge of site work as well as ADA accessibility. Two station designs and one parking lot design are anticipated. 1 @ \$500K, 1 @ 300K and 1 @ \$250K - DBE Goal 25%.

4. **One Project Administration Blanket**

One project administrative blanket is anticipated. Consultant must demonstrate experience and understanding of project administration, ADA compliance, sign program and environmental assessment process.
1 @ \$300K – DBE Goal 25%

BOOK NO. 2

5. **Final Engineering Design of CREATE Project P-1**

Provide final engineering and design to raise the existing two-track (proposed three-track) Metra Rock Island District (RID) Line over the existing three-track (proposed six-track) Norfolk Southern(NS) Railway at 63rd Street. Metra Signal Design is also included in the scope of the project. **Contract Value to be negotiated.** (See Attachments A-3 and A-4 for a complete description.) DBE Goal 23%.

BOOK NO. 3

6. **Four Signal Blanket Engineering Services**

Provide signal engineering services for various signal projects. Possible projects are one MWD Pedestrian crossings and construction management at CCF, one construction management at MWD A-5 Interlocker and miscellaneous signal design, one Positive Train Control development and one CREATE B-1/B-12 Interlocker design.
2 @ 750K, 1 @ \$600K and 1 @ \$500K - (See Attachment A-5 for a complete description.) DBE Goal 0%

We intend to award the above contracts under this MRFP for the Engineering Department. Note that Metra reserves the right to award more, fewer, or none of the estimated number of contracts listed above. In addition, the amounts stated for the contracts are estimates only and Metra reserves the right to award contracts in greater or lesser amounts. Place an X next to the projects you want your proposal to be evaluated for. A separate rating will be given to your proposal for each of the projects above that you want to be considered for. DO NOT indicate interest in project(s) that you are neither interested nor qualified for; this will only cause unnecessary work and delay to all parties involved.

SIGNAL PTC SUMMARY SHEET

DISTRICT	MATERIAL		DESIGN		SHOP WIRING		INSTALLATION		TESTING		VERIFICATION		DISTRICT TOTAL	
	DOLLARS	MANHOURS	DOLLARS	MANHOURS	DOLLARS	HOURS	DOLLARS	MANHOURS	DOLLARS	MANHOURS	DOLLARS	MANHOURS	DOLLARS	MANHOURS
1 MED - UNIVERSITY PARK	\$ 4,033,445	8,240	\$ 1,483,200	8,240	\$ 1,302,912	18,096	\$ 2,108,160	29,280	\$ 293,376	3,056	\$ 800,256	8,336	\$ 10,021,349	67,008
2 MED - SOUTH CHICAGO	\$ 306,510	1,190	\$ 214,200	1,190	\$ 293,760	4,080	\$ 293,760	4,080	\$ 52,224	544	\$ 182,784	1,904	\$ 1,343,238	11,798
3 MED - BLUE ISLAND	\$ 150,750	450	\$ 81,000	450	\$ 155,520	2,160	\$ 155,520	2,160	\$ 27,648	288	\$ 96,768	1,008	\$ 687,206	6,066
4 RID - ROCK ISLAND	\$ 2,020,300	9,380	\$ 1,688,400	9,380	\$ 315,648	4,384	\$ 838,080	11,640	\$ 219,648	2,288	\$ 590,608	6,048	\$ 5,662,684	33,740
5 RID - BEVERLY	\$ 1,267,925	4,240	\$ 763,200	4,240	\$ 417,024	5,792	\$ 768,960	10,680	\$ 92,160	960	\$ 107,520	1,120	\$ 3,416,789	22,792
6 SOUTHWEST SERVICE	\$ 658,430	2,420	\$ 435,600	2,420	\$ 51,840	720	\$ 319,680	4,440	\$ 102,912	1,072	\$ 333,312	3,472	\$ 1,901,774	12,124
7 MD - WEST	\$ 1,286,540	3,730	\$ 671,400	3,730	\$ 342,144	4,752	\$ 779,328	10,824	\$ 210,432	2,192	\$ 451,584	4,704	\$ 3,741,428	26,202
8 MD - NORTH	\$ 2,206,775	6,650	\$ 1,197,000	6,650	\$ 1,096,704	15,232	\$ 1,494,720	20,760	\$ 198,144	2,064	\$ 397,824	4,144	\$ 6,591,167	48,850
9 MD - FOX LAKE	\$ 405,900	1,570	\$ 282,600	1,570	\$ 261,504	3,632	\$ 293,760	4,080	\$ 53,760	560	\$ 161,280	1,680	\$ 1,458,804	11,522
TOTAL													\$ 34,804,439	240,102

METRA FIELD SUPERVISION (8% OF TOTAL)	\$ 2,784,355
CM FIELD SUPPORT (10% OF TOTAL)	\$ 3,480,444
VEHICLE/CONSTRUCTION EQUIP. (2% OF TOTAL)	\$ 696,089
METRA ENGINEERING (5% OF TOTAL)	\$ 1,740,222
CONTINGENCIES (20% OF TOTAL)	\$ 6,960,888

COLUMN TOTAL DOLLARS	\$ 12,336,575	\$ 9,216,600	\$ 4,237,056	\$ 7,051,968	\$ 1,250,304	\$ 3,111,936	\$ 50,466,437
COLUMN TOTAL MANHOURS	37,870	58,848	97,944	13,024	32,416	240,102	

Memorandum

DATE: October 20, 2009
TO: File
FROM: A. B. Darin, Department Head *ABD*
Materials
SUBJECT: CONTRACT No. K91240 - Task No. 1
SIGNAL ENGINEERING SERVICES

Estimate of Cost:

Assume: Average hourly rate for all engineering disciplines of \$60.00 per hour.
Average Overhead Burden Rate of 162.28%.

Direct Labor Costs	4335 hrs. x \$60.00/hr.	\$ 260,100.00
Overhead Burden	Direct Labor x 162.28%	\$ 422,090.28
Fee 10%	(Direct Labor + Overhead Burden) x 10%	\$ 68219.03

TOTAL ESTIMATED COST**\$750,409.31**

**ARCHITECTURAL AND ENGINEERING
SERVICES CONTRACTS
(BROOKS METHOD)**

II. POLICY (Continued)

An independent Cost Estimate will be submitted with the requisition before soliciting proposals in order to establish a base cost for budgetary purposes. Metra will also perform a Cost Analysis of the offer accepted by Metra before entering into a contract with an Architectural & Engineering firm in order to measure the cost reasonableness of a proposal.

Metra will detail the significant history of the procurement and retain these records. Such records include, but are not limited to, the documentation relating to the rationale for the method of procurement, the selection of contract type, the basis of contractor selection or rejection using a criteria rating schedule for Offerors considered, and the basis for the contract price. Other supporting records are required to be kept in the contract file or with the evaluating department.

The Professional Services/Contracts Division, in consultation with the Requisitioner/User department, will follow FTA guidelines where appropriate and Metra Administrative Operating Procedures regarding the appropriate actions associated with protest and disputes. (See PU-11-RC).

Any discussions during the solicitation, selection, and negotiation process will be conducted by the Professional Services/Contracts Division with the Requisitioning/User department with, normally, no less than the three highest ranked Offerors determined pursuant to the criteria outlined in the RFP. Attendance at pre-proposal conference by potential Offeror(s) is not mandatory and absence at such a conference will not be used to treat a proposal as non-responsive. Except in the case of Blanket RFPs, cost details from the highest ranking Offeror will be obtained on a RC4400 form after the evaluation process. For Blanket RFPs, a schedule of positions with the range of hourly rates including overhead and burden and any other costs to be determined will be obtained on RC4400 form from the highest ranking Offeror after the evaluation process. Thereafter, Metra shall negotiate with the highest ranking Offeror to determine the compensation that is fair and reasonable, taking into account the scope, complexity, and professional nature of the services. If no contract can be concluded with the highest ranking Offeror, negotiations will be formally terminated with that Offeror and new negotiations will be undertaken with the second most highest ranking Offeror. There should be documentation of such negotiations in sufficient detail to enable an understanding of the basis of the final cost.

Based upon the completed evaluation, the award should be made to the responsible Offeror(s) whose proposal will be most advantageous to Metra.

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**ARCHITECTURAL AND ENGINEERING
SERVICES CONTRACTS
(BROOKS METHOD)**

I. PURPOSE

This procedure sets forth policies and instructions for acquiring, administering, and terminating contracts for A & E services by Metra, regardless of the funding mechanism.

II. POLICY:GENERAL:

A & E services are acquired by Metra using the "Brooks" procurement method regardless of the funding mechanism. The Brooks procurement method is based on the award of contracts for services such as A & E services using a qualifications-based procurement analysis. Price is not a factor in determining the most qualified Offeror. Instead, each Offeror's qualifications are evaluated and the most qualified Offeror is selected subject to the negotiation of fair and reasonable compensation.

Proposals will be evaluated, negotiated, selected and any award shall be made in accordance with the criteria and procedures described below. The approach and procedures are those which are applicable to a competitive negotiated procurement whereby proposals are evaluated to determine which proposals are within a competitive range. Discussions and negotiations may then be carried out with Offerors within the competitive range. The Offeror selected will be the Offeror whose proposal is found to be most advantageous to Metra, based upon consideration of the Evaluation Criteria.

Metra personnel will maintain ethical standards in their professional activities. Metra personnel must avoid personal and organizational conflict-of-interest situations and avoid the appearance of such situations. Metra personnel are required to be familiar with Metra's ethics policies and all circumstances and persons covered by any type of conflict-of-interest situation.

Any proprietary information, methodology, or application that is contained in a proposal shall remain strictly confidential, will be screened for distribution only to those Metra personnel who require it for work directly connected with the project, and will not be distributed to persons not relevant to the project and not within reporting hierarchies at Metra which are relevant to the project. The confidentiality extends to the cost/profit figures contained in the proposals and the process of negotiations.

NARRATIVE DESCRIPTION OF PROCESS:

The process for a particular award of an Architectural & Engineering (A & E) services contract will be described in the respective Request for Proposals ("RFP") prepared by the

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**ARCHITECTURAL AND ENGINEERING
SERVICES CONTRACTS
(BROOKS METHOD)**

The Professional Services/ Contracts Division, with the assistance of the Requisitioner/User, shall coordinate further discussions with the identified highest ranking Offerors, including the scheduling of a pre-award interview to clarify any final matters. The Professional Services/ Contracts Division shall also obtain such other information, other than cost information, necessary to evaluate the identified highest ranking Offerors and their respective proposals.

Upon obtaining the foregoing information, the Evaluation Committee shall re-evaluate the identified highest ranking Offerors, first individually by each member then collectively as a group, to determine the Offeror whose proposal will be most advantageous to Metra based on the Evaluation Criteria. The Professional Services/ Contracts Division shall continue to negotiate with such selected Offeror to determine the compensation that is fair and reasonable, taking into account the scope, complexity, and professional nature of the services. Except in the case of Blanket RFPs, cost details from such highest ranking Offeror will be obtained on a RC4400 form after the evaluation process. For Blanket RFPs, a schedule of positions with the range of hourly rates including overhead and burden and any other costs to be determined will be obtained on RC4400 form from the highest ranking Offeror after the evaluation process. The Professional Services/ Contracts Division shall complete the Price Analysis Documentation and forward such documentation, together with all other information received with respect to the subject Offeror to the Evaluation Committee. Metra will also perform a Cost Analysis of such Offeror's proposal before entering into a contract in order to measure the cost reasonableness of the subject proposal.

Contracts with respect to a given RFP will be generally awarded on a maximum compensation basis, and will reflect a specified maximum amount, payment schedule, and method of payment. Advance payments prior to the incurrence of costs by the Offeror are prohibited. If no contract can be concluded with the highest ranking Offeror, negotiations will be formally terminated with that Offeror and new negotiations will be undertaken with the second highest ranking Offeror (and so on). Upon completion of the foregoing negotiations, the Professional Services/ Contracts Division shall prepare, and have internally approved, a contract to be executed by the selected Offeror. No contract shall exceed five (5) years including options, if any.

The Professional Services/ Contracts Division will maintain all substantive records and correspondence with respect to each RFP. Such records include, but are not limited to, the documentation relating to the rationale for the method of procurement, the selection of contract type, the basis of Offeror selection/ rejection based on the Evaluation Criteria, Evaluation Committee rankings (individual and group) with respect to each Offeror and the basis for the contract price. All such information shall be maintained by the Professional

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**ARCHITECTURAL AND ENGINEERING
SERVICES CONTRACTS
(BROOKS METHOD)**

Services/ Contracts Division in the respective procurement file (other than large maps, drawing and plans which are to be kept in respective department file).

Once a contract has been executed, the Requisitioner/User and the Professional Services/ Contracts Division will continuously monitor Consultant's compliance with the provisions of the contract. In the event of non-compliance by a Consultant, the Professional Services/ Contracts Division will contact said Consultant and attempt to achieve rectification of the compliance deficiencies. If said Consultant is unresponsive, or such deficiencies are not remedied, the Professional Services/ Contracts Division will take remedial actions with respect to the subject contract, including without limitation termination of the contract, as necessary. The Professional Services/ Contracts Division, in consultation with the Requisitioner/User department, will follow FTA guidelines where appropriate and Metra Administrative Operating Procedures regarding the appropriate actions associated with protest and disputes. (See PU-11-RC).

Upon completion of a project, the Requisitioner/User shall complete a Contract Completion Form and forward the completed form to the Professional Services/ Contracts Division to be filed in the respective procurement file.

III. DEFINITIONS

Architectural & Engineering (A & E) Services: See Glossary.

Blue Folder: See Glossary.

Board Concurrence: See Exhibit IV.

Brooks Method: See Glossary.

Canvass: See Glossary.

Capital Funds/Capital Funding: See Glossary.

Checklist - RFP's: See Exhibit V.

Clarification: See Glossary.

Contact Person means the individual(s) with technical expertise and/or experience in the subject matter of the RFP, selected and designated by the Requisitioner/User, in cooperation with the Professional Services/ Contracts Division, to respond to the technical inquiries of Offerors.

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From July 21, 2011, PSR Final Report

16. Written Procurement Selection Procedures

Basic Requirement: Chapter III, Section 3.a of FTA C 4220.1F requires that grantees have written selection procedures for procurement transactions. As stated in the Circular "all solicitations shall identify all requirements that offerors must fulfill and all other factors to be used in evaluating bids or proposals." This ensures that procurements are awarded in a fair and equitable manner.

Discussion: Forty-one (41) procurements were reviewed for this requirement. Thirty-two were not deficient and nine (9) were found to be deficient. Metra has a process in which proposals are rescored after presentations are completed; however, that process is not stated in the evaluation process provided in the solicitation documents for the RFP method of procurement. In addition, Metra uses a consensus scoring process rather than having an individual score for each proposal from each member of the evaluation committee resulting in a lack of transparency throughout the evaluation process.

Metra should alter the evaluation process such that each member of the evaluation committee scores each proposal. These scores should then be added together to determine the final score. The evaluation committee may meet to discuss why members scored proposals the way they did; however, documentation of such discussions should be included in the procurement record.

Best Practices: The grantee should establish written selection procedures in every solicitation. Once proposals are received, evaluators should follow these criteria when considering the proposals submitted and document the evaluators' findings. Documentation for all procurements should be maintained in a central location regardless of award amount. The request for quotation for any small purchase should contain language identifying the basis for award (such as lowest priced responsive offer) and a copy of it should be included in the file.

Corrective Action: Metra must respond within thirty (30) days from the date of the final report and provide detailed procedures, evidence of adequate training and evidence of independent audits confirming that procedures are being followed consistently.

Metra's Response: The deficient files refer to Metra's RFP evaluation process. Metra does have established evaluation processes. As noted in the review, proposals are re-scored after interviews. The review noted that this particular aspect of the process is not made apparent or clear to proposers.

Following the FTA review, staff immediately included in all RFP Evaluation Processes that if interviews are to be conducted, the proposer presentation may be re-scored.

Reviewing Contractor's Response: This corrective action is acceptable, but copies of revised procedures and processes, evidence of training, and independent audit reports validating the use of compliant procedures must be provided to FTA within 30 days of the date of the final report.

**ARCHITECTURAL AND ENGINEERING
SERVICES CONTRACTS
(BROOKS METHOD)**

I. PURPOSE

This procedure sets forth policies and instructions for the acquisition, administration, and termination of contracts for A & E services by Metra, regardless of the funding mechanism.

II. POLICY:

GENERAL:

A & E services are acquired by Metra using the "Brooks" procurement method regardless of the funding mechanism. The Brooks procurement method is based on the award of contracts for services such as A & E services using a qualifications-based procurement analysis. Price is not a factor in determining the most qualified Offeror. Instead, each Offeror's qualifications are evaluated and the most qualified Offeror is selected subject to the negotiation of fair and reasonable compensation.

Proposals will be evaluated, negotiated, selected and any award shall be made in accordance with the criteria and procedures described below. The approach and procedures are those which are applicable to a competitive negotiated procurement whereby proposals are evaluated to determine which proposals are within a competitive range. Discussions and negotiations may then be carried out with Offerors within the competitive range. The Offeror selected will be the Offeror whose proposal is found to be most advantageous to Metra, based upon consideration of the Evaluation Criteria.

Metra personnel will maintain ethical standards in their professional activities. Metra personnel must avoid personal and organizational conflict-of-interest situations and avoid the appearance of such situations. Metra personnel are required to be familiar with Metra's ethics policies and all circumstances and persons covered by any type of conflict-of-interest situation.

Any proprietary information, methodology, or application that is contained in a proposal shall remain strictly confidential, will be screened for distribution only to those Metra personnel who require it for work directly connected with the project, and will not be distributed to persons not relevant to the project and not within reporting hierarchies at Metra which are relevant to the project. The confidentiality extends to the cost/profit figures contained in the proposals and the process of negotiations.

NARRATIVE DESCRIPTION OF PROCESS:

The process for a particular award of an Architectural & Engineering (A & E) services contract will be described in the respective Request for Proposals ("RFP") prepared by the

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**ARCHITECTURAL AND ENGINEERING
SERVICES CONTRACTS
(BROOKS METHOD)**

The Professional Services/ Contracts Division, with the assistance of the Requisitioner/User, shall coordinate further discussions with the identified highest ranking Offerors, including the scheduling of a pre-award interview to clarify any final matters. The Professional Services/ Contracts Division shall also obtain such other information, other than cost information, necessary to evaluate the identified highest ranking Offerors and their respective proposals.

Upon obtaining the foregoing information, the Evaluation Committee shall re-evaluate the identified highest ranking Offerors, first individually by each member then collectively as a group, to determine the Offeror whose proposal will be most advantageous to Metra based on the Evaluation Criteria. Except in the case of Blanket RFPs, cost details from such highest ranking Offeror will be obtained on a RC4400 form after the evaluation process. For Blanket RFPs, a schedule of positions with the range of hourly rates including overhead and burden and any other costs to be determined will be obtained on RC4400 form from the highest ranking Offeror after the evaluation process. The Professional Services/ Contracts Division shall complete the Price Analysis Documentation and forward such documentation, together with all other information received with respect to the subject Offeror to the Evaluation Committee. The Professional Services/ Contracts Division shall continue to negotiate with such selected Offeror to determine the compensation that is fair and reasonable, taking into account the scope, complexity, and professional nature of the services. The Professional Services/ Contracts Division will also perform a Cost Analysis of such Offeror's proposal before entering into a contract in order to measure the cost reasonableness of the subject proposal.

Contracts with respect to a given RFP will be generally awarded on a maximum compensation basis, and will reflect a specified maximum amount, payment schedule, and method of payment. Advance payments prior to the incurrence of costs by the Offeror are prohibited. If no contract can be concluded with the highest ranking Offeror, negotiations will be formally terminated with that Offeror and new negotiations will be undertaken with the second highest ranking Offeror (and so on). Upon completion of the foregoing negotiations, the Professional Services/ Contracts Division shall prepare, and have internally approved, a contract to be executed by the selected Offeror. No contract shall exceed five (5) years including options, if any. No portion of the work to be performed by Consultant pursuant to a contract may be assigned to a subcontractor unless explicitly approved in advance by the Requisitioner/User. When a subcontractor is permitted to be utilized by the selected Consultant by the Requisitioner/User, and as a condition of such permission, the Consultant/subcontractor must submit: (a) the required cost details to the Professional Services/ Contracts Division using the RC4400 form; and (b) all such other information necessary to enable an understanding of the basis of the subcontract

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METRA

MASTER REQUEST FOR PROPOSAL

FY 2011

ENGINEERING DEPARTMENT

METRA SPECIFICATION NO. 1547-11

MARCH 2011

I. INTRODUCTION

Metra, the Commuter Rail Division of the Regional Transportation Authority, is funding design engineering and environmental services for several projects under this "Master Request for Proposal" (MRFP). This MRFP is for various projects within Metra's Engineering Department.

Included in this MRFP are requests for engineering services on Signal, Environmental and Track/Civil Preliminary Engineering projects. A list of these projects and corresponding Book numbers can be found in Attachment A.

All proposals shall have the cover of the book clearly marked as "RFP 29521 Engineering Department-Book #1, 2, 3, or 4" as defined in Attachment A.

Your firm may request to be considered for one or all of the contracts to be awarded under this MRFP. Included in this MRFP is a "TABLE OF CONTRACTS," Attachment A. On the Table of Contracts, you should indicate the contracts for which you are proposing by placing an "X" beside the contract description. Your proposal will only be reviewed and rated for those contracts marked with an "X". You should only submit proposals on those projects for which your firm is qualified. For example, do not indicate interest in a signal contract if you do not have an experienced staff for this type of work.

Attachment B should also be completed and included with your proposal. This is the list of all of your sub-consultants and their assigned scope of work for each project indicated on Attachment A. The project consultant and sub-consultant listing form (Attachment B) has been included for your firm's completion and submission.

After you have completed Attachments A and B, attach a copy of both tables immediately behind the cover letter in your proposal in each of the books 1, 2, 3, and/or 4 that you submit. A copy of Attachment B should follow Attachment A. A copy of your proposal will be sent to the appropriate staff for review.

For each contract you indicate that your firm wishes to be considered, your proposal must provide the information as outlined in this MRFP. Your proposal will then be evaluated using the rating system detailed in Section VII of this MRFP. Your proposal will be evaluated separately for each contract that you have expressed an interest.

The consultant shall be required to coordinate their work with other local and municipal projects, maintain schedules, meet deadlines and maintain budgets for every phase of the project. All payment and billings shall be matched against the project phase progress and percentage of work completed.

C. Proposal must be submitted to:

Mr. Ed Remus, Senior Contracting Agent
Metra- Materials Department
11th Floor East
547 West Jackson Blvd.
Chicago, Illinois 60661

VI. QUESTIONS

All Technical and Administrative questions must be submitted before 4:00 p.m. on **June 30, 2011** by fax only to:

Mr. Ed Remus, Senior Contracting Agent
(312) 322-6619

Questions concerning DBE aspects may be directed to:

Ms. Janice Thomas
Director
DBE Administration
Telephone: (312) 322-6323

VII. EVALUATION METHODOLOGY

Metra's consideration for award of a Professional Service Contract will be made on the following basis:

- A. Recognition of problems and objectives
- B. Approach plan and time schedule
- C. Firm's previous experience
- D. Proposed team's ability and expertise

Any proposal which does not clearly document the approach, expertise and other factors necessary to assure achievement of project objectives and successful completion within the allotted time and budget will be given lower ratings in the corresponding categories designated as Items A through D, inclusive. Items A through D will receive equal weight in the ratings of each proposal. Based on the completed evaluation, the proposal that clearly demonstrates the experience, expertise, planned work scope and other factors necessary to assure successful completion of the project will be offered a contract.

Proposals will be evaluated by the Evaluation Committee through a consensus score. Based on those scores, Metra will interview at least the three (3) highest ranked firms, but may interview more. The Evaluation Committee will re-score such proposals through the consensus scoring process. Metra will then negotiate a price for the performance of the contract with the highest ranked firm.

VIII. ATTACHMENTS

Attachment A – Engineering Department Table of Contracts
Attachment B – Project and Sub-consultant Listing

IX. CONTRACT EXHIBITS

The following Exhibits are attached hereto and made a part hereof in addition to this Master Request for Proposal. The Exhibits shall become a part of the contract resulting from this Master Request for Proposal:

- EXHIBIT 1A - Public Notice of Request for Proposal
- EXHIBIT 1B - Affidavits/Certifications
- EXHIBIT 1C - Metra Disadvantage Business Compliance Requirements
- EXHIBIT 1D - D. O. T. Title VI Assurance
- EXHIBIT 1E - Consultant Insurance Requirements
- EXHIBIT 1F - Railroad Contractor Safety Requirements
- EXHIBIT 1G - Sample Agreement
- EXHIBIT 1H - Form 4400 - This is a sample; do not submit this form with your proposal.

X. PREPROPOSAL MEETING

A pre-proposal meeting will be held at 9:00 a.m. on _____, 2011 at Metra, 547 W. Jackson Blvd., Chicago, IL, in the 13th Floor Board Room.

From these Qualification Statements, the grantee's A-E evaluation committee would score and rank the firms on the basis of their technical qualifications. It would be advisable not to have a predetermined cut-off score to determine those firms that are the most qualified. Scoring should be a tool for the individual committee member to determine the relative strengths and weaknesses of the firms being evaluated. Also, it would be best not to determine the most qualified firms by averaging the individual committee member scores. The numerical scores should help each member rank the various firms in order to allow the procurement officer to determine a "short list" for conducting oral presentations and discussions. Once each committee member has ranked the firms (using the published evaluation criteria, the relative weights and scoring system), the committee should meet to discuss the findings of the individual members and reach a consensus on a ranking of the various firms.

Some agencies have found a qualitative (adjective) rating system to be more effective than a numerical scoring system. For example, firms are evaluated with respect to their qualifications statements in each of the evaluation criteria elements as being "excellent," "satisfactory," or "unsatisfactory." After rating each firm's qualifications for each criterion, the committee members then give each firm an overall evaluation rating. The overall ratings for the firms are then compared and the firms with the most "excellent" ratings are short-listed. Whether you use a numerical or qualitative (adjective) rating system, a written narrative by each evaluator justifying their decision should be prepared.

Request for Technical Proposals – If you determine to require detailed technical proposals after the short list has been determined, you will need to establish the evaluation criteria to be used in selecting the successful contractor and to advise the firms of the criteria in your RFP. Criteria will normally involve such matters as the following:

1. Past Performance – The solicitation should advise offerors of your approach in evaluating past performance, including evaluating offerors that have no relevant performance history, and should also advise offerors to identify past relevant contracts for efforts similar to your requirement. The solicitation should also allow offerors to provide information on problems encountered on the identified contracts and corrective measures taken. This evaluation should also consider the past performance of key personnel and subcontractors that will perform major or critical aspects of the work. This evaluation of past performance, as one indicator of an offeror's ability to perform the contract successfully, is separate from the responsibility determination discussed in Section 5.1.
2. Technical Criteria – Technical factors regarding the specific methods, designs, and systems proposed to be used by the offeror will be considered and they must be tailored to the specific requirements of your solicitation. These factors must represent the key technical areas of importance that you intend to consider in the source selection decision. *Technical factors should be chosen to support meaningful comparison and discrimination between competing proposals.* If the agency has established minimum

should consist of those firms that have a reasonable chance of getting the award. These firms would then be invited to make presentations to the evaluation committee. Grantees should check their state laws to see if a minimum number of firms is required to be short-listed.

Oral presentations by A-E firms – Having evaluated the qualifications of the A-E firms who submitted detailed qualification statements (or technical proposals), and developed the short list of qualified firms, the A-E Selection Committee would establish a schedule for each firm to make oral presentations, although presentations are not always necessary or appropriate. If discussions are necessary, they can be written or by phone or videoconference. The Committee would advise the firms in advance of any questions the Committee had regarding the firm and its capabilities. These questions would be addressed by the A-E firm at the oral presentation. The Committee may also wish to specify those key personnel of the A-E firm that should present in order to answer the Committee's questions. It is important that the user organization be comfortable with the actual project managers being assigned to the project, and for this reason the presentations should be made by the firm's proposed key staff, not by a sales executive.

Final ranking of A-E firms - At the conclusion of the oral presentations, each of the Selection Committee members would perform a final scoring and ranking of the short-listed firms. These final scores would then be discussed, and the procurement officer chairing the panel should strive for consensus – finding a firm that is valued by most members and acceptable to the rest. This process should not be a mechanical “majority-rules” vote. Failure to obtain a consensus can result in internal fighting if the project gets into difficulty, and can even create these difficulties. Once an agreement is reached on the highest qualified firm, that firm is then requested to submit a cost proposal for negotiation of a contract.

Contract Negotiations - The Brooks Act requires a *qualifications based procurement method* for the selection of A-E firms. Price is excluded as an evaluation factor, and negotiations are conducted with the most qualified firm only. If an agreement cannot be reached on price with the most qualified firm, *negotiations are formally terminated with that firm*. Once negotiations are terminated, that firm is irrevocably out of contention for the contract and cannot be brought back in. Negotiations are then conducted with the next most qualified firm. This process continues until a negotiated agreement is reached which the grantee considers to be fair and reasonable.

In-house Cost Estimate - One of the biggest problems noted in FTA Procurement Systems Reviews is the failure of agencies to prepare detailed in-house cost estimates prior to receiving cost proposals. This is especially critical in A-E procurements where there are no competing proposals to provide a comparison. *In order to meaningfully evaluate and negotiate the A-E firm's cost proposal, it is critical that the grantee's technical staff prepare a detailed in-house cost estimate (work estimate) of the work required by the A-E firm before the solicitation is issued.* In order to be useful as a tool in evaluating the cost proposal, this in-house estimate needs to be prepared in the same level of detail that the grantee is requiring the A-E firm to submit its proposal. In other words, *the grantee's technical staff prepares its in-house estimate as if the grantee were the contractor proposing on the contract.* It is also important that grantees require A-E firms to submit their cost proposals in the same format in which the in-house estimate was

Sub-criteria of Criterion No. 3 will be evaluated based on the reviewer's determination of the degree of compliance with Contract requirements, potential risks and benefits, and strengths and weaknesses. One of the following adjectival ratings should be used for each subcriterion:

<i>Excellent</i>	<i>Significantly exceeds in all respects the minimum requirements; high probability of success; no significant weaknesses.</i>
<i>Very Good</i>	<i>Substantial response; meets in all aspects and in some cases exceeds the critical requirements; no significant weaknesses.</i>
<i>Good</i>	<i>Generally meets minimum requirements; good probability of success; weaknesses can be readily corrected.</i>
<i>Marginal</i>	<i>Lack of essential information; low probability for success; significant weaknesses, but correctable.</i>
<i>Unsatisfactory</i>	<i>Fails to meet minimum requirements; needs major revision to make it acceptable.</i>

Evaluators are to substantiate each rating with a brief narrative explaining their evaluation. The narrative will be specific in nature, addressing the strengths/weaknesses of the proposal in each area and provide a sound rationale for the conclusion reached. This becomes the basis for the evaluator's overall rating and comparison to other proposals. To arrive at the overall technical rating, the evaluator will develop a summary statement.

Evaluators may utilize an informal weighting scheme as a tool (not to be considered the formal evaluation) to assist them in formulating their evaluation. This may be helpful to individual evaluators in terms of remaining focused on the relationship between criteria and facilitate the evaluation process.

2. The individual evaluators will rank each of the proposals reviewed in descending order and provide a supporting narrative, addressing the specific elements of the proposal that are the determining factors (consistent with step 1 findings) for their position within the ranking.

3. Committee members will review and discuss the individual findings and develop a consensus ranking consistent with the evaluation criteria. The committee ranking must also be supported by a narrative that provides the rationale (specific strengths and weaknesses) for their determination.

4. The rank ordered list of proposals will be arrayed in descending order together with the price evaluation figure for each proposal. As the list is reviewed in descending order, any increase in price as technical merit decreases will cause the elimination of the proposal from the list. If more than one proposal remains, the committee will review the trade-offs between descending technical merit and descending price. The committee will then make a decision regarding which of the proposals is the most advantageous to the Procuring Agency, price and other factors considered.

**ARCHITECTURAL AND ENGINEERING
SERVICES CONTRACTS
(BROOKS METHOD)**

I. PURPOSE

This procedure sets forth policies and instructions for the acquisition, administration, and termination of contracts for A & E services by Metra, regardless of the funding mechanism.

II. POLICY:GENERAL:

A & E services are acquired by Metra using the "Brooks" procurement method regardless of the funding mechanism. The Brooks procurement method is based on the award of contracts for services such as A & E services using a qualifications-based procurement analysis. Price is not a factor in determining the most qualified Offeror. Instead, each Offeror's qualifications are evaluated and the most qualified Offeror is selected subject to the negotiation of fair and reasonable compensation.

Proposals will be evaluated, negotiated, selected and any award shall be made in accordance with the criteria and procedures described below. The approach and procedures are those which are applicable to a competitive negotiated procurement whereby proposals are evaluated to determine which proposals are within a competitive range. Discussions and negotiations may then be carried out with Offerors within the competitive range. The Offeror selected will be the Offeror whose proposal is found to be most advantageous to Metra, based upon consideration of the Evaluation Criteria.

Metra personnel will maintain ethical standards in their professional activities. Metra personnel must avoid personal and organizational conflict-of-interest situations and avoid the appearance of such situations. Metra personnel are required to be familiar with Metra's ethics policies and all circumstances and persons covered by any type of conflict-of-interest situation.

Any proprietary information, methodology, or application that is contained in a proposal shall remain strictly confidential, will be screened for distribution only to those Metra personnel who require it for work directly connected with the project, and will not be distributed to persons not relevant to the project and not within reporting hierarchies at Metra which are relevant to the project. The confidentiality extends to the cost/profit figures contained in the proposals and the process of negotiations.

NARRATIVE DESCRIPTION OF PROCESS:

The process for a particular award of an Architectural & Engineering (A & E) services contract will be described in the respective Request for Proposals ("RFP") prepared by the

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**ARCHITECTURAL AND ENGINEERING
SERVICES CONTRACTS
(BROOKS METHOD)**

The Professional Services/ Contracts Division, with the assistance of the Requisitioner/User, shall coordinate further discussions with the identified highest ranking Offerors, including the scheduling of a pre-award interview to clarify any final matters. The Professional Services/ Contracts Division shall also obtain such other information, other than cost information, necessary to evaluate the identified highest ranking Offerors and their respective proposals.

Upon obtaining the foregoing information, the Evaluation Committee shall re-evaluate the identified highest ranking Offerors, first individually by each member then collectively as a group, to determine the Offeror whose proposal will be most advantageous to Metra based on the Evaluation Criteria. Except in the case of Blanket RFPs, cost details from such highest ranking Offeror will be obtained on a RC4400 form after the evaluation process. For Blanket RFPs, a schedule of positions with the range of hourly rates including overhead and burden and any other costs to be determined will be obtained on RC4400 form from the highest ranking Offeror after the evaluation process. The Professional Services/ Contracts Division shall complete the Price Analysis Documentation and forward such documentation, together with all other information received with respect to the subject Offeror to the Evaluation Committee. The Professional Services/ Contracts Division shall continue to negotiate with such selected Offeror to determine the compensation that is fair and reasonable, taking into account the scope, complexity, and professional nature of the services. The Professional Services/ Contracts Division will also perform a Cost Analysis of such Offeror's proposal before entering into a contract in order to measure the cost reasonableness of the subject proposal.

Contracts with respect to a given RFP will be generally awarded on a maximum compensation basis, and will reflect a specified maximum amount, payment schedule, and method of payment. Advance payments prior to the incurrence of costs by the Offeror are prohibited. If no contract can be concluded with the highest ranking Offeror, negotiations will be formally terminated with that Offeror and new negotiations will be undertaken with the second highest ranking Offeror (and so on). Upon completion of the foregoing negotiations, the Professional Services/ Contracts Division shall prepare, and have internally approved, a contract to be executed by the selected Offeror. No contract shall exceed five (5) years including options, if any. No portion of the work to be performed by Consultant pursuant to a contract may be assigned to a subcontractor unless explicitly approved in advance by the Requisitioner/User. When a subcontractor is permitted to be utilized by the selected Consultant by the Requisitioner/User, and as a condition of such permission, the Consultant/subcontractor must submit: (a) the required cost details to the Professional Services/ Contracts Division using the RC4400 form; and (b) all such other information necessary to enable an understanding of the basis of the subcontract

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**ARCHITECTURAL AND ENGINEERING
SERVICES CONTRACTS
(BROOKS METHOD)**

relationship and/or as otherwise requested by the Professional Services/ Contracts Division.

The Professional Services/ Contracts Division will maintain all substantive records and correspondence with respect to each RFP. Such records include, but are not limited to, the documentation relating to the rationale for the method of procurement, the selection of contract type, compensation method, the basis of Offeror selection/ rejection based on the Evaluation Criteria, Evaluation Committee rankings (individual and group) with respect to each Offeror and the basis for the contract price. All such information shall be maintained by the Professional Services/ Contracts Division in the respective procurement file (other than large maps, drawing and plans which are to be kept in respective department file).

Once a contract has been executed, the Requisitioner/User and the Professional Services/ Contracts Division will continuously monitor Consultant's compliance with the provisions of the contract. In the event of non-compliance by a Consultant, the Professional Services/ Contracts Division will contact said Consultant and attempt to achieve rectification of the compliance deficiencies. If said Consultant is unresponsive, or such deficiencies are not remedied, the Professional Services/ Contracts Division will take remedial actions with respect to the subject contract, including without limitation termination of the contract, as necessary. The Professional Services/ Contracts Division, in consultation with the Requisitioner/User department, will follow FTA guidelines where appropriate and Metra Administrative Operating Procedures regarding the appropriate actions associated with protest and disputes. (See PU-11-RC).

Upon completion of a project, the Requisitioner/User shall complete a Contract Completion Form and forward the completed form to the Professional Services/ Contracts Division to be filed in the respective procurement file.

III. DEFINITIONS

Architectural & Engineering (A & E) Services: See Glossary.

Blue Folder: See Glossary.

Board Concurrence: See PU-06-RC, Professional Services Contracts, Exhibit I.

Brooks Method: See Glossary.

Canvass: See Glossary.

Capital Funds/Capital Funding: See Glossary.

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From July 21, 2011, PSR Final Report

18. Award to Responsible Contractors

Basic Requirement: Chapter VI, Section 8.b of FTA C 4220.1F requires that grantees make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

Discussion: Of the forty-four (44) procurements reviewed, twenty-seven (27) were found to be deficient and seventeen (17) were found to be not deficient. Metra does have a standard process in place to indicate on the bid tabulation sheet that contractor responsibility and the Federal excluded parties list have been checked. In the twenty-seven (27) procurements found to be deficient, this documentation was not provided on the bid tabulation sheet.

Best Practices: There are many proven methods to determine whether or not a supplier is responsible, including:

- Visiting the supplier's facility;
- Examining prior work performed by the supplier;
- Checking financial and client references;
- Evaluating prior performance reports; and reviewing the Federal debarred/suspended contractor listing.

The consistent usage of a standard form, such as the template provided in Appendix E (Responsibility Determination Form), would ensure that the responsibility determination is performed completely and consistently.

Corrective Action: Metra must respond within thirty (30) days from the date of the final report and provide detailed procedures, evidence of adequate training and evidence of independent audits confirming that procedures are being followed consistently.

Metra's Response: As noted in the review, Metra does have a standard checklist process in place on the bid tabulation form regarding the prospective contractor's responsibility and the Federal excluded parties list. The review noted deficiencies in informal procurements. Prior to this review all bid tabulation sheets for formal bids (over \$10,000.00) were properly filled out, including debarment.

Following the FTA review and effective immediately, all bid tabulation sheets for formal and informal bids (under \$10,000.00) will be checked and initialed by the buyer for responsibility and the Federal excluded parties list. This process is in place and being used by the appropriate staff.

Reviewing Contractor's Response: This corrective action is acceptable but copies of revised procedures and processes, evidence of training, and independent audit reports validating the use of compliant procedures must be provided to FTA within 30 days of the date of the final report.

ET

Memorandum

September 3, 2009

To: P.A. Pagano
Executive Director

From: Frederick E. Smalarz, Senior Director
Materials Management



Subject: Professional Services Contracts for Engineering Services
Recommendations for Metra Master RFP No. 41203

Date Let: June 5, 2009

Date Received: July 15, 2009

Funding Source: Capital

Background and Work Scope:

In June of this year, Metra published Master RFP No. 41203 which encompasses many disciplines and numerous projects. Included in the RFP are Design of CREATE Project P-1, Mechanical/Electrical Engineering Services, Civil/Structural Services, Signal Engineering Services, Project Administration Services, Station and Parking Lot Design Engineering Services, and Communications Engineering Services. Up to 15 contracts will be awarded as a result of this Master RFP. This specific recommendation is for Signal Engineering Services.

Due to the complexity and large number of projects included in Master RFP No. 41203, a twofold process that consisted of an Executive Committee and a Working Committee was established to evaluate the proposals received. The Executive Committee consisted of the following three (3) individuals: Bill Tupper, Joe Lorenzini, and Paul Kisielius. The Working Committee consisted of individuals directly involved with the respective projects.

Proposals Received:

A total of 117 proposals were received in response for the above disciplines and projects. The proposals were evaluated utilizing formal guidelines established by Metra for selection of professional services.

The Working Committee members initially reviewed all the proposals submitted within their respective groups for technical responsiveness and responsibility and used a uniform, pre-determined scoring process to evaluate and score the proposals. After review, the Working Committee prepared a consensus ranking of the firms that was then forwarded to the Executive Committee. The Executive Committee reviewed the Working Committee's consensus rankings and determined the number of firms to be short listed.

Proposal Evaluation Process:

The evaluations were based on the following: 1) Recognition of Problems and Objectives, 2) Approach, Plan, and Time Schedule, 3) Firm's Previous Experience, and, 4) Project Teams Ability and Expertise.

Recommendation and Justification:

A total of 4 contracts are being recommended for your approval. A total of 6 proposals were received in response for Engineering Signal Services. A total of 5 firms were short-listed and members of the Executive Committee and Professional Services staff conducted interviews. After interviews, the Committee ranked the firms. The Committee's consensus scores are as follows: LTK Engineering Services, 20 pts.; PB Americas, Inc., 20 pts.; HNTB Corp., 20 pts.; Xorail, Inc., 18 pts. and Stantec Consulting, 16 pts.

Based upon the process outlined above, the Executive Committee recommends the award of 4 professional services contracts as follows:

<u>Firm</u>	<u>Work Assignment</u>	<u>Contract Amount</u>
LTK Engineering - Also Interviewed HNTB PB Americas, Inc. Stantec Consulting Xorail, Inc.	Signal Services Blanket (Principal task: Positive Train Control Compliance Plan)	\$ 750,000
PB Americas, Inc. - Also Interviewed HNTB Stantec Consulting Xorail, Inc. LTK Engineering	Signal Services Blanket (Principal tasks: CREATE P-1 and B-12 Interlocker)	\$ 750,000
HNTB Inc. - Also Interviewed PB Americas, Inc. Stantec Consulting Xorail, Inc. LTK Engineering	Signal Services Blanket (Principal task: Ped Crossings & CCF)	\$ 600,000
Xorail Inc. - Also Interviewed HNTB PB Americas, Inc. Stantec Consulting LTK Engineering	Signal Services Blanket (Principal task: Milw Dist. A-5 Interlocker)	\$ 500,000

Your formal approval to proceed is requested.



APPROVED

G. Four (4) Si Blanket Engineering Services
 RFP No. 41203
 Working Committee

RATE EACH PROPOSER IN THE CATEGORIES LISTED BELOW USING THE FOLLOWING RATING SCALE:

(1) = Poor
 (3) = Average
 (5) = Exceptional

FIRM	Recognition of Problems and Objectives	Proposer Approach Plan and Time Schedule	Firms Previous Experience	Project Team's Ability and Experience	Total Points	Rank
Gandhi and Associates	1	1	1	1	4	4
HINTB	3	3	3	5	14	2
LTK Engineering	5	5	5	5	20	1
PB Americas, Inc.	5	5	5	5	20	1
Stantec Consulting	3	3	3	3	12	3
Xorail, Inc.	3	3	3	3	12	3

Evaluator: _____
 Date of Evaluation: 3-5-09

WPK Kaminski
 WILLIAM P. KAMINSKI
 GEORGE GONARIS
 TERRY PELKOLA
 ED REMUS ACTED AS CONTRACTING AGENT
 Edward H. Remus

6. Four (4) Final Blanket Engineering Services
 RFP No. 41203
 Working Committee

RATE EACH PROPOSER IN THE CATEGORIES LISTED BELOW USING THE FOLLOWING RATING SCALE:

(1) = Poor
 (3) = Average
 (5) = Exceptional

Evaluator:	RATE EACH PROPOSER IN THE CATEGORIES LISTED BELOW USING THE FOLLOWING RATING SCALE:						
Date of Evaluation:	(1) = Poor (3) = Average (5) = Exceptional						
FIRM	Recognition of Problems and Objectives	Proposer Approach Plan and Time Schedule	Firms Previous Experience	Project Team's Ability and Experience	Total Points	Rank	
Gandhi and Associates							
HNTB	5	5	5	5	20	1	
LTK Engineering	5	5	5	5	20	1	
PB Americas, Inc.	5	5	5	5	20	1	
Stantec Consulting	3	3	5	5	16	3	
Xorail, Inc.	5	3	5	5	18	2	

EDWARDS H. REMUS
 EDWARDS H. REMUS
 → ACTED AS CONTRACT AGENT

CREATE INTRO - A.B. 750K
 LTK - PTC 600K
 HNTB - PED CROSS/C.M. 750K
 XORAIL - A-52 - 500K
 MISC. - 500K
 Pave & Finishes 8/20/09
 A-Song 8/20/09
 DHy 8/20/08

**SUBCONTRACTOR
DEBARMENT CERTIFICATION**

NOTE: PRIMARY CONTRACTOR IS RESPONSIBLE FOR THIS FORM BEING SUBMITTED PRIOR TO AWARD. SUBCONTRACTOR(S) WITH SUBCONTRACTS OVER \$100,000 MUST ALSO COMPLETE AND SIGN THE FOLLOWING:

STATE OF IL

COUNTY OF COOK

The Undersigned represents that s/he is LISA J. LARRY ("Undersigned Subcontractor") the (Print Name)

PRESIDENT of LISA J. LARRY, INC.
(Print President or Other Proper Title) (Print Name of Subcontractor Entity)

("Subcontractor" or "Undersigned Subcontractor") and is authorized to attest on behalf of himself/herself and Subcontractor Entity by stating as follows:

1. As a subcontractor to a primary contractor for subcontracts over \$100,000, the Undersigned Subcontractor certifies to the best of its knowledge and belief that the debarment statements in Section D above are truthful and accurate.
2. If Undersigned Subcontractor acquires information after executing this certification that there may be an actual or apparent violation of any of the above, Subcontractor shall promptly bring such information to the attention of Metra's procurement officer.
3. The provisions of Section H above are applicable.

LISA J. LARRY, INC.
(Print) Name of Subcontractor Entity

By: Lisa J. Larry Date: 7/9/09
Signature of Person Making Affidavit (Undersigned listed above)

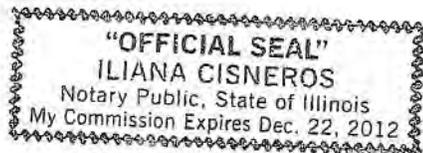
PRESIDENT
(Print) Title of Person Making Affidavit

NOTARIZE HERE

Subscribed and sworn to before me this 9th day of July 2009.

Iliana Cisneros

Notary Public



AFFIDAVITS/CERTIFICATIONS FOR CONSULTANTS

FILL IN THE BLANKS AND SUBMIT THIS FORM WITH PROPOSAL.
HAVE APPLICABLE SIGNATURES NOTARIZED ON LAST PAGE.

STATE OF Pennsylvania

COUNTY OF Montgomery

The Undersigned represents that s/he is George N. Dorshimer ("Undersigned") the
(Print Name)

President of LTK Engineering Services
(Print President or Other Proper Title) (Print Name of Entity)

("Company" or "Undersigned") and is authorized to attest on behalf of himself/herself and

LTK Engineering Services, and states as follows:
(Print Name of Company)

A. PROHIBITED INTERESTS AND CONFLICTS OF INTEREST.

1. PUBLIC OFFICER PROHIBITED ACTIVITIES ACT AFFIDAVIT.

The Company is the proposer submitting this proposal and that the proposer is in compliance with provisions set forth in the Public Officer Prohibited Activities Act, 50 ILCS 105/0.01, et seq., and to the best of its knowledge and belief, no person holding office, either by election or appointment under the laws or constitution of this State, is in any manner interested, either directly or indirectly, in his/her own name or in the name of any other person, association, trust, or corporation; in this contract or the performance of any work/services under this contract which such officer has been or may be called upon to act or vote.

2. METRA'S CONFLICTS OF INTEREST ORDINANCE.

Pursuant to 4.03 of Metra's Bidding Regulations:

Members of the Board, officers, and employees of Metra, their spouses, their children, their parents, their brothers and sisters and their children, are prohibited from having or acquiring any contract or any direct pecuniary interest in any contract which will be wholly or partially performed by the payment of funds or the transfer of property of the Metra. Any firm, partnership, association, or corporation from which any member of the Board, officer, or employee of the Metra is entitled to receive more than seven and one half percent (7-1/2%) of the total distributable income, is prohibited from having or acquiring any contract or direct pecuniary interest in any contract which will be performed in whole or in part by payment of funds or the transfer of property of Metra.

Any firm, partnership, association, or corporation from which members of the Board, officers, employees of Metra, their spouses, their children, their parents, their brothers and sisters and their children, are entitled to receive in the aggregate more than fifteen percent (15%) of the total distributable income, is prohibited from having or acquiring any contract or direct pecuniary interest in any contract which will be performed in whole or in part by the payment of funds or the transfer of property of Metra.

Board members and employees are prohibited from participating in the selection, award, or administration of a contract supported by Metra funds, federal funds, or any other grant funds if a real conflict of interest or, to his or her knowledge, an apparent conflict of interest would be involved. A real or apparent conflict of interest would arise when any of the following has an interest in the entity selected for award: (a) an employee, officer, board member, or agent; (b) any member of his or her immediate family (as listed above in the first paragraph); (c) his or her business partner; or (d) an organization that employs, or intends to employ, any of the above. "Apparent" is defined under this paragraph as being one in which a person is an officer or director of an entity, or has an interest in the ownership or profits of an entity, and such interest appears substantial to a reasonable person. "Interest" is defined under this paragraph as a direct or indirect entitlement to receive any of the entity's profits.

In addition, Undersigned states that no officer of Metra has represented, either as an agent or otherwise, the proposer with respect to this application or bid for contract. Finally, Undersigned states that to best of its knowledge and belief, no officer of Metra has received or been offered from any person on behalf of the proposer, either directly or indirectly, any money or other thing of value as a gift, bribe, or means of influencing any vote or action in any official's capacity. Furthermore, Undersigned certifies that, to the best of its knowledge, it is in compliance with Metra's Bidding Regulations and is unaware of any of the foregoing persons having an interest prohibited by Section 4.03 of the Bidding Regulations.

B. NON-COLLUSION AFFIDAVIT.

The Company is the proposer submitting this proposal and that such proposal was not made in the interest of or on behalf of any undisclosed person, partnership, company, organization or corporation; that such proposal is genuine and not collusive or a sham and that said proposer has not been a party to any agreement or collusion among bidders/proposers or prospective bidders/proposers in restraint of freedom of competition by agreement to bid a fixed price or otherwise, or to refrain from proposing, and has not, directly or indirectly, by agreement, communication, or conference with anyone, attempted to induce action prejudicial to the interest of Metra, or of any proposer or anyone else interested in the proposed contract.

C. CERTIFICATE FOR PROPOSAL.

As a part of its offer to contract for services to Metra, the Undersigned hereby certifies that neither the Company nor any of its principals are barred from proposing on the aforementioned contract as a result of a violation of either Section 33 E-3 or 33-4 of 720 ILCS 5/33 E.

D. CERTIFICATE OF DEBARMENT.

As the potential contractor for a primary contract, or subcontractor to a primary contractor for subcontracts over \$100,000, the Undersigned certifies to the best of its knowledge and belief, the Company and its principals:

1. Are not included on the U.S. Comptroller General's Consolidated List of Persons or Firms Debarred from federal contracts for violations of various public contracts incorporating labor standard provisions;
2. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal, state, or local government entity;

3. (a) have not been convicted under the laws of Illinois or any other state of bribery or attempting to bribe any government officer or employee or have made an admission of guilt of that conduct that is a matter of record but has not been prosecuted for that conduct. No business shall be barred from contracting with Metra as a result of a conviction under this Section of any employee or agent of the business if the employee or agent is no longer employed by the business and: i) the business has been finally adjudicated not guilty; or ii) the business demonstrates to Metra, and Metra finds that the commission of the offense was not authorized, requested, commanded, or performed by a director, officer, or high managerial agent on behalf of the business as provided in paragraph (2) of subsection (a) of Section 5-4 of the Criminal Code of 1961. For purposes of this Subsection (a), when an official, agent, or employee of a business committed the bribery or attempted bribery on behalf of the business and in accordance with the direction or authorization of a responsible official of the business, the business shall be chargeable with the conduct. Contractor hereby certifies that the contractor and its subcontractors are not barred from being awarded a contract or subcontract under this Section.

(b) are not convicted of a felony. No person or business shall do business with Metra from the date of conviction until 5 years after the date of completion of the sentence for that felony, unless no person held responsible by a prosecutorial office for the facts upon which the conviction was based continues to have any involvement with the business. Contractor hereby certifies the the Contractor is not barred from being awarded a contract under this Section.

4. Are not presently indicted for, or otherwise criminally or civilly charged by a government entity (federal, state or local) for any reason; or

5. Have not, within a three-year period preceding this proposal, had one or more public transactions (federal, state or local) terminated for cause or default.

(If the Undersigned is unable to certify to any of the statements in this certification, the Undersigned shall attach an explanation).

THE UNDERSIGNED CERTIFIES OR AFFIRMS THE TRUTHFULNESS AND ACCURACY OF THE CONTENTS OF THE STATEMENTS SUBMITTED ON OR WITH THIS CERTIFICATION AND UNDERSTANDS THAT THE PROVISIONS OF THE FEDERAL FALSE CLAIMS ACT ARE APPLICABLE THERETO.

E. CERTIFICATION OF RESTRICTIONS ON LOBBYING.

This certification is required to be completed with the solicitation if the proposal exceeds \$100,000.00. Failure to return this certification with the solicitation may result in a determination that the offer is non-responsive or non-responsible.

G. CONTINUING OBLIGATION TO INFORM METRA.

If Company acquires information after executing this certification that there may be an actual or apparent violation of any of the above Company shall promptly bring such information to the attention of Metra's procurement officer. Company shall thereafter cooperate with Metra's review and investigation of such information, and comply with any instruction it receives from Metra in regard to remedying the situation.

H. PENALTIES.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into the Contract pursuant to Metra's regulations and 31 U.S.C. 1352. A Company who makes a false statement, materials to the certification, is subject to termination for cause. The undersigned certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Company understands and agrees that the provisions of 31 U.S.C. 3801, et seq., apply to this certification and disclosure.

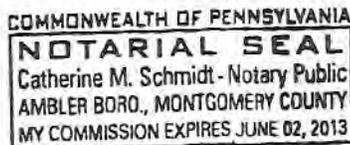
LTK Engineering Services
(Print) Name of Company

By: *[Signature]* Date: July 15, 2009
Signature of Person Making Affidavit (Undersigned listed above)

President
(Print) Title of Person Making Affidavit

NOTARIZE HERE

Subscribed and sworn to before me
this 14 day of July 2009.
[Signature]
Notary Public



CERTAIN SUBCONTRACTOR SIGNATURES REQUIRED ON NEXT PAGE

Responsibility Determination Form

Date: _____

IFB No.: _____

Vendor: _____

For each of the areas described below, check that the appropriate research has been accomplished and provide a short description of the research and the results.

1. Appropriate financial, equipment facility, and personnel:

Acceptable: Yes / No
Repeat Vendor: Yes / No
Perform an Internet Search: Yes / No

Comment: _____

2. Ability to meet delivery schedule:

Acceptable: Yes / No
Repeat Vendor that has met delivery schedules in the past: Yes / No
Able to meet delivery required on the purchase requisition: Yes / No

Comment: _____

3. Satisfactory period of performance:

Acceptable: Yes / No
Did not take exception to Metra's delivery requirement: Yes / No

Comment: _____

4. Satisfactory record of integrity, not on declined or suspended listing:

Acceptable: Yes / No
Check Debarment Status: Yes / No

Comment: _____

5. Receipt of all necessary Exhibits from supplier:

Acceptable: Yes / No
Did you receive a good bid: Yes / No

Comment: _____

ARCHITECTURAL AND ENGINEERING SERVICES CONTRACTS (BROOKS METHOD)

I. PURPOSE

This procedure sets forth policies and instructions for acquiring, administering, and terminating contracts for A & E services by Metra, regardless of the funding mechanism.

II. POLICY:

GENERAL:

A & E services are acquired by Metra using the "Brooks" procurement method regardless of the funding mechanism. The Brooks procurement method is based on the award of contracts for services such as A & E services using a qualifications-based procurement analysis. Price is not a factor in determining the most qualified Offeror. Instead, each Offeror's qualifications are evaluated and the most qualified Offeror is selected subject to the negotiation of fair and reasonable compensation.

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NARRATIVE DESCRIPTION OF PROCESS:

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**ARCHITECTURAL AND ENGINEERING
SERVICES CONTRACTS
(BROOKS METHOD)**

Requisitioner/User. Services which are not A & E services according to the Brooks Act, even though performed by an A & E firm, shall be considered professional services. (See PU-06-RC or PU-07-RC).

Each RFP will be submitted by the Requisitioner/User to the Professional Services/ Contracts Division, together with a list of the specific Evaluation Criteria for the subject project, a statement of work that is clear and an accurate description of the technical requirements for the service(s) to be procured, and an independent Cost Estimate prepared by the Requisitioner/User to establish a base cost for budgetary purposes. The initial RFP prepared by the Requisitioner/User will be reviewed by the Professional Services/ Contracts Division who, after such review and in concert with the Requisitioner/User, will prepare the formal RFP. No dollar value of any project will be directly or indirectly solicited in the formal RFP. The formal RFP will be used by the Professional Services/ Contracts Division for the solicitation of proposals from Offerors.

Proposals with respect to a given RFP will be solicited through the use of advertisement in a newspaper of general circulation, e-mail notification to Offerors selected from Metra's vendor database, and posting on Metra's web site. The Professional Services/ Contracts Division, with the assistance of the Requisitioner/User, may coordinate the scheduling of a pre-proposal conference to clarify requirements and answer questions from potential Offerors. Attendance at such pre-proposal conference however, by potential Offeror(s) is not mandatory and absence at such a conference will not be used to treat an Offeror as non-responsive.

The evaluation of the proposals received with respect to a given RFP will be performed by the respective Evaluation Committee. Proposals with respect to an RFP will be first received by the Professional Services/ Contracts Division and first opened, in the presence of a witness, on the respective proposal due date. **The Professional Services/ Contracts Division will perform an initial review and complete a Responsibility Determination Form with respect to each proposal.** Any potential Offeror which does not demonstrate that they are a responsive Offeror necessary to assure achievement of the RFP objectives may be eliminated from further consideration. Proposals accepted by the Professional Services/ Contracts Division for consideration will be forwarded to the Evaluation Committee for review.

Each proposal accepted for consideration will be evaluated by the Evaluation Committee, first individually by each member then collectively as a group, based on the Evaluation Criteria provided in the subject RFP. The Evaluation Committee shall make a preliminary evaluation of the submitted proposals to identify, normally, no less than the three highest ranked Offerors based on the subject Evaluation Criteria with which the Professional Services/ Contracts Division shall arrange to engage in further discussions.

REVISIONS	ISSUE DATE	PREPARED BY	APPROVED BY	PAGE	OF
5	10-3-11	Materials Management		2	25

From July 21, 2011, PSR Final Report

19. Sound and Complete Agreement

Basic Requirement: Chapter III, Section 3.b. of FTA C 4220.1F requires that all contracts include provisions to define a sound and complete agreement. It should include proper specifications that allow for "administrative, contractual, or legal remedies...and a termination for cause and for convenience" clause.

Discussion: Of the forty-four (44) procurements reviewed, two (2) were found to be deficient. In both cases the contract documents do not clearly indicate the contract type. In one (1) procurement for blanket signal engineering services the contract does not specify whether it is firm-fixed-price or cost-plus-fixed-fee. In another procurement for manufacturing engineering in the rehabilitation of 176 bi-level passenger railcars on a cost-plus-fixed-fee basis, the contract does not include the fixed-fee component of the contract value.

Best Practices: All procurements above the micro-purchase threshold should be definitized by a written contract approved by appropriate legal and procurement personnel. The grantee may use checklists to remind involved personnel of the contract clauses required by the FTA in the Circular and the Master Agreement.

Corrective Action: Metra must respond within thirty (30) days from the date of the final report and provide detailed procedures, evidence of adequate training and evidence of independent audits confirming that procedures are being followed consistently.

Metra's Response: Two (2) contracts were found to be deficient. In both cases the contract documents do not clearly indicate the contract type.

The contract for the blanket Signal Engineering Services is a "not to exceed \$500,000.00" contract. The contract specified "total actual costs and fixed fee." Exhibit 5 in the contract is the Employee Compensation Schedule, listing the hourly rates for the contractor's staff, audited rate of 147.5%, and a profit rate of 10%. The file contains supporting documentation for the cost of task assignments. Metra's standard 4400 Cost Form indicates that the costs match the rates and fees listed on Exhibit 5.

The file for the Material Kitting & Manufacturing Engineering of 176 Bi-Level Passenger Cars contains Exhibit 2, Price Proposal. The Exhibit indicates the fixed fee value will include the labor cost and the Burden Rate is 10% of the fixed labor cost.

As discussed during the review pertaining to A & E blanket type of contracts, Metra did not negotiate the fixed hourly or burden rates prior to contract approval. The actual negotiation occurred at the time a "task" was assigned, and then estimated hours were included along with the hourly and burden rate.

Following the FTA review, staff immediately incorporated the negotiation process to establish the fixed hourly rates and burden rate prior to any contract approval for all blanket fixed-fee type A & E contracts.

Reviewing Contractor's Response: The corrective action is not adequate. In the deficient contract documents, the cost-plus-fixed-fee type of contract is not denoted and the estimated costs and fixed fee is not included in the contract or revised when tasks or changes are implemented. Copies of revised procedures and processes, evidence of training, and independent audit reports validating the use of

compliant procedures must be provided to FTA within 30 days of the date of the final report. FTA will conduct a separate review of the Blanket Signal Engineering and the Material Fitting contracts to determine whether these contracts are eligible for federal funds.

AGREEMENT

FOR PROFESSIONAL AND CONSULTING SERVICES BLANKET CONTRACTS

This Agreement is entered into this 11TH day of NOVEMBER, 2009 in Chicago, Illinois, by and between the Northeast Illinois Regional Commuter Railroad Corporation d/b/a Metra, Metropolitan Rail ("Metra"), a public corporation under Illinois law, and LTK Engineering Services ("Consultant"), having offices located at 300 S. Wacker Drive, Suite 2840, Chicago, IL 60606. Consultant and Metra are sometimes collectively referred to as "Parties." In consideration of the promises and agreements set forth, the Parties agree:

1. SCOPE AND DESCRIPTION OF SERVICES.

Consultant will perform the following services ("Work"): Provide Blanket Professional Signal Design Engineering Services.

2. COMPENSATION.

The total amount of this blanket Agreement including all individual tasks, shall not exceed \$750,000.00.

Once specific tasks have been assigned, Metra agrees to pay, and Consultant agrees to accept the prices stipulated on the cost or price schedule, which is attached as Exhibit 2. With respect to the overhead rate described on the attached schedule, Consultant will list the immediate prior year overhead rate. The immediate prior year rate will be a provisional rate until audited by and/or accepted by Metra. Consultant may apply the provisional rate until such time as Metra's Audit Department audits and/or accepts Consultant's actual individual yearly overhead rate as computed under the Illinois Department of Transportation guidelines for computation of overhead rates. Once Metra audits and /or accepts the provisional overhead rate, the actual overhead rate for each year will be applied to each year's respective billings. Payments made using the provisional overhead rate will be subject to change and adjusted to conform with the audited and/or accepted overhead rate for each year. Consultant shall be paid only for the actual Work performed at the prescribed rates during the preceding billing period, not to exceed the percentage of the Work completed as of the end of the billing period. The full payment for each task shall not exceed the total price as stated in the applicable Metra Form 4400 for that particular task(s) assigned ("Total Price"). The Metra Form 4400, agreed to by Metra and submitted by Consultant in response to Metra's request for a specific task, and the subsequent Notice to Proceed (defined below), are incorporated into this Agreement by reference. The Total Price also includes the cost of all applicable taxes (where Metra is not exempt), bonds, if required, and other charges of every kind and nature. The Total Price shall not include, and Metra shall not pay, taxes or fees from which Metra is exempt. Metra is exempt from various federal taxes, all state and unit of local government taxes, and registration and license fees. Consultant shall promptly notify Metra, and afford it the opportunity, before payment of any taxes, to contest said claims in the manner and to the extent it may elect, and to settle or satisfy such claims.

Consultant shall submit all invoices on Metra Form #B100R107, which is incorporated into and made a part of this Agreement, along with all appropriate support documents, for all amounts to be paid by Metra

Metra under this Agreement. Invoices must be addressed to the "Accounts Payable Section" for payment and must show Metra Contract No. K91240. Metra will pay complete and accurate invoices within thirty (30) days of receipt. If Consultant fails to follow the instructions under this paragraph, or any instructions subsequently issued for its invoices, Metra may, at its sole discretion, reject Consultant's invoices for that billing period, and withhold payment of those invoices until such billing period as Consultant has complied with the requirements of this paragraph. An incomplete or inaccurate invoice will be deemed received only when completed and corrected to Metra's satisfaction. However, if the omission or inaccuracy is, in Metra's sole judgment, minor and inconsequential, Metra will use reasonable efforts to ascertain and pay the complete and accurate portion of the invoice. Payments are subject to audit and inspection as set forth in Section 9.B below.

3. PERFORMANCE OF THE WORK.

The term of this blanket Agreement shall be from the date of execution until February 28, 2013.

A. NOTICE TO PROCEED. Consultant will, within fifteen (15) business days after Metra's issuance of a notice of award letter informing Consultant of its selection ("Notice of Award"), submit to Metra: (1) certificates of insurance from insurance carriers satisfactory to Metra, and in form, substance, and detail satisfactory to Metra; and (2) if applicable, either the signed subcontracts with DBE subconsultants or the notice of intent to enter into contracts with DBE subconsultants. After Metra assigns a specific task to Consultant and Consultant and Metra agree on a specific task scope and fee, Consultant will, within fifteen (15) business days after agreeing to the aforementioned, submit to Metra: (a) a schedule for the project with submittal milestones (see Subparagraph B below); and (b) any other document stated elsewhere in this Agreement that is required prior to Metra's notification to Consultant to start the Work ("Notice to Proceed").

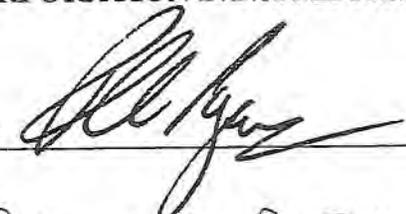
B. SCHEDULE.

1. Submission of Schedule. Time is of the essence and delays may have a direct and indirect cost to Metra's operations. As a condition to issuing the Notice to Proceed, Consultant shall submit a schedule, acceptable to Metra, showing submittal milestones for the Work. Consultant must adhere to and complete all Work by the time stated in the schedule approved by Metra. Consultant shall commence the Work promptly after receiving a Notice to Proceed from Metra.
2. Monthly Progress Reports. Consultant's schedule shall be updated and submitted to Metra in writing no less than monthly. Such report shall state whether or not the Work is progressing within schedule. If Consultant determines that the Work and milestones are not progressing within schedule, Consultant shall notify Metra of the reasons for the delay and identify each delayed activity (including duration and interrelationships between activities). In addition to any other remedy afforded Metra, failure to submit monthly reports will be a default of this Agreement and is grounds for Metra to withhold payments until such reports are submitted.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT ON THE DATES RECITED BELOW:

NORTHEAST ILLINOIS REGIONAL
COMMUTER RAILROAD
CORPORATION D/B/A METRA

CONSULTANT

RG
BY 

BY 

PHILIP A. PAGANO
PRINT NAME

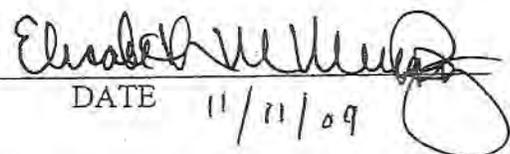
Frederick H. Landell
PRINT NAME

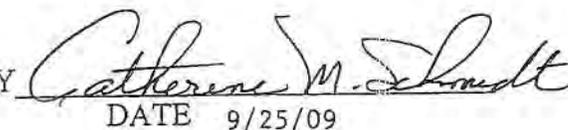
TITLE EXECUTIVE DIRECTOR

TITLE Vice President - Northeast Region

ATTEST

ATTEST

BY 
DATE 11/11/09

BY 
DATE 9/25/09

TITLE ASSISTANT SECRETARY
TO THE BOARD

TITLE Corporate Secretary

AGREEMENT

FOR PROFESSIONAL AND CONSULTING SERVICES BLANKET CONTRACTS

This Agreement is entered into this 11TH day of NOVEMBER, 2009 in Chicago, Illinois, by and between the Northeast Illinois Regional Commuter Railroad Corporation d/b/a Metra, Metropolitan Rail ("Metra"), a public corporation under Illinois law, and LTK Engineering Services ("Consultant"), having offices located at 300 S. Wacker Drive, Suite 2840, Chicago, IL 60606. Consultant and Metra are sometimes collectively referred to as "Parties." In consideration of the promises and agreements set forth, the Parties agree:

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Consultant shall submit all invoices on Metra Form #B100R107, which is incorporated into and made a part of this Agreement, along with all appropriate support documents, for all amounts to be paid by Metra

material breach of this Agreement.

H. ASSIGNMENT. Assignment or delegation of this Agreement by Consultant without the prior written approval of Metra is a material breach of this Agreement. This Agreement shall be binding on, and inure to the benefit of, the respective successors, assigns, heirs, and personal representatives of Metra and Consultant. Any successor to Consultant under this Agreement must be approved in writing by Metra, which approval Metra may grant or deny in its sole discretion. Any successor must agree to perform all terms, conditions, and requirements of this Agreement as a condition precedent to such succession.

4. DOCUMENTS FORMING THIS AGREEMENT.

All written information which Consultant has furnished to Metra in connection with Metra's request for proposals forms a part of this Agreement and the basis on which Metra has decided to award this Agreement to Consultant. Consultant hereby represents to Metra that all facts, plans, or promises contained therein, other than such as may be contradicted by or expressly superseded by Consultant's offer or last offer, are true, and Consultant acknowledges that Metra is entitled to rely thereon. This Agreement constitutes the entire Agreement between the Parties. All amendments to this Agreement must be in writing and executed by the authorized officers of each party. The Parties further agree that this Agreement consists of the following:

1. This contract document and each of the following documents attached hereto or incorporated by reference into this Agreement:
2. Exhibit 1 – Metra Request for Proposal No. 41203 including Addendum No. 1 dated July 2, 2009.
3. Exhibit 2 – Employee Compensation Schedule.
4. Exhibit 3 – Proposal from LTK Engineering Services dated July 15, 2009.
5. Exhibit 4 – Presentation Handout from LTK Engineering Services dated August 19, 2009.

5. TERMINATION.

Metra may terminate this Agreement at any time, with or without cause, by giving written notice to Consultant at the address specified above. Termination shall be effective upon receipt of such notice by Consultant through actual delivery in person, fax, or regular or certified mail.

A. CONVENIENCE. If Metra terminates this Agreement other than for breach by Consultant, Metra agrees to pay Consultant, and Consultant agrees to stop Work as stated in the notice and accept as its sole remedy, Consultant's unpaid costs expended to date of termination. After receipt of a notice of termination and except as otherwise directed by Metra, Consultant shall: (1) stop Work under this Agreement on the date and to the extent specified in the notice of termination; (2) place no further orders or subcontracts for materials, services, or facilities, except as may be necessary for

LTK Engineering Services

METRA - PTC
PTC Implementation Plan

Calendar Year 2009 Hourly Rate Schedule

Employee Name	Classification	2009 Direct Labor Rate
Bisset, Kendrick	Senior Systems Consultant	\$64.90
Carson, John	Systems Consultant	\$48.58
Chertock, Guy	Vehicle Consultant	\$33.66
Diaz, David	Senior Vehicle Consultant	\$84.18
Elliott, David	Senior Vehicle Consultant	\$75.46
Golucki, Mark	Systems Consultant	\$54.24
Jedynak, Zbigniew	CADD Technician	\$36.56
Johnson, Michael	Vehicle Consultant	\$38.68
McFadden, Daniel	Senior Vehicle Consultant	\$60.10
Novak, Paul	Senior Systems Consultant	\$63.72
Patel, Dilip	Senior Vehicle Consultant	\$67.84
Rhea, William	Senior Vehicle Consultant	\$72.12
Schultz, Robert	Senior Systems Consultant	\$62.46
Sergot, George	Senior Systems Consultant	\$49.40
Travis, Richard	Senior Systems Consultant	\$64.74
Weaver, Paul	Senior Systems Consultant	\$62.46

LTK Facilities Overhead Rate 160.55%

LTK Fixed Fee 10.00%

- LTK 2009 Hourly Rates listed above are for calendar year 2009 and are subject to escalation at the first pay period of each year following.
- Expenses are billed at cost, supported by receipts, with no additional mark up.

Lisa J. Larry, Inc.

METRA - PTC
PTC Implementation Plan

Calendar Year 2009 Hourly Rate Schedule

Employee Name	Classification	2009 Hourly Rate
Larry, Lisa	Sr. Systems Consultant	\$137.50

- Rate is fully burdened, inclusive of direct labor, overhead, and profit.
- Hourly Rates listed above are for calendar year 2009 and are subject to escalation at the first pay period of each year following.
- Expenses are billed at cost, supported by receipts, with no additional mark up.

sa J. Larry, Inc.

PO Box 8553
525 Jackpine St.
Tahoe City, CA 96145-8553

Invoice

Date	Invoice #
9/29/2007	203

Bill To
LTK Engineering Services 300 South Wacker Dr., Suite 2840 Chicago, IL 60606 Attn: Paul Novak

P.O. No.	Terms	Project
	Net 30	Dearborn/Congress

Item	Description	Qty	Rate	Amount
Phase 2	Signal Engineering Support Services	34	137.50	4,675.00
			Total	\$4,675.00
			Credits	\$0.00

Balance Due \$4,675.00



THE KLAUDER GROUP
Fax Cover Sheet

LTK Engineering Services
Louis T. Klauder and Associates

100 West Butler Avenue
Ambler, PA 19002
Telephone: (215) 542-0700
Fax Number: (215) 542-7676

Number of Pages Sent: 13 (including this sheet)

To: Ed Lemus

Date: 9/30/09

Company: METRA

Reference: _____

Fax No. 312-322-6619

From: Cathy Schmitt

Message:

Per our discussion following our
overhead calculation as of 9/30/09.

Date: 09/30/09
 Time: 7:52:45 AM
 Group Number: 1
 Sequence Number: 3
 Pool Number: 101

ITK Engineering Services
 STATEMENT OF INDIRECT EXPENSES
 Fiscal Year: 2009, Period: 8, Subperiod: 1
 LTK Facility Pool

Page: 11
 Basis: DOLLAR
 Description: LTK Facility Labor

Account	Organization	Base Amount	Current Period		Budget Amount	Base Amount	Year To Date		Budget Amount
			Allocation Amount	Allocation Amount			Allocation Amount	Allocation Amount	
5100 Direct Labor	E. J. NH	28,775.31	51,671.42	0.00	336,067.81	539,575.42	0.00	0.00	
5100 Direct Labor	E. I. ME	25,820.09	46,364.77	0.00	290,169.27	465,882.78	0.00	0.00	
5100 Direct Labor	E. I. NH	4,717.51	8,471.17	0.00	17,281.10	27,746.72	0.00	0.00	
5100 Direct Labor	E. I. NY	16,067.63	28,852.92	0.00	104,434.28	167,675.00	0.00	0.00	
5100 Direct Labor	E. I. PA	447,264.96	803,147.44	0.00	4,064,521.87	6,525,814.26	0.00	0.00	
5100 Direct Labor	E. I. PT	81,258.21	145,916.03	0.00	769,380.03	1,130,788.22	0.00	0.00	
5100 Direct Labor	E. I. SD	22,398.94	40,221.46	0.00	247,819.51	397,887.91	0.00	0.00	
5100 Direct Labor	E. I. SF	19,465.85	34,954.55	0.00	141,786.58	227,649.39	0.00	0.00	
5999-10 Unallowable Direct Labor	E. I. MA	2,409.25	4,326.26	0.00	33,741.25	54,173.44	0.00	0.00	
5999-10 Unallowable Direct Labor	E. I. ME	0.00	0.00	0.00	190.29	318.37	0.00	0.00	
5999-10 Unallowable Direct Labor	E. I. NH	0.00	0.00	0.00	243.74	391.34	0.00	0.00	
5999-10 Unallowable Direct Labor	E. I. NY	0.00	0.00	0.00	336.00	539.47	0.00	0.00	
5999-10 Unallowable Direct Labor	E. I. PA	709.32	1,273.72	6.00	37,852.98	28,663.95	0.00	0.00	
5999-10 Unallowable Direct Labor	E. I. PT	0.00	0.00	0.00	1,433.57	2,301.68	0.00	0.00	
5999-10 Unallowable Direct Labor	E. I. SE	275.40	494.53	0.00	898.70	1,442.91	0.00	0.00	
Total Pool Base:		837,470.09	1,503,833.34	0.00	7,778,641.26	12,489,359.12	0.00	0.00	

RATE: 179.568603%
 UNABSORBED: 0.00

160.555521%
 0.03

From July 21, 2011, PSR Final Report

37. Price and Other Factors [RFP]

Basic Requirement: Chapter VI, Section 3.d (2)(e) of FTA C 4220.1F indicates that:

- Awards made to firm whose proposal is most advantageous to the grantee's program with price and other factors considered
- Grantees may award to the proposer whose proposals offer the greatest business value to the Agency based upon an analysis of a tradeoff of qualitative technical factors and price/cost to derive which proposal represents the "best value." "Best value" language must be in the solicitation.

Discussion: Of the twelve (12) procurements reviewed for this requirement, four (4) were found to be deficient and eight (8) were found to be not deficient. Deficient findings all relate to the improper use of the Brooks Act method of procurement. In some cases Metra used the Brooks Act for services that were not related to A&E, while in other cases the firms were correctly evaluated excluding price but were then given a budgeted amount as the contract award with no record of price negotiations.

Best Practices: The Grantee should ensure that the A&E method of procurement be used only when construction work is anticipated. Decision criteria should be established to identify when a purchase is an A&E construction method or any other professional service. Documentation of the award justification based on price and other factors should clearly identify the key considerations.

Corrective Action: Metra must respond within thirty (30) days from the date of the final report and provide detailed procedures, evidence of adequate training and evidence of independent audits confirming that procedures are being followed consistently.

Metra's Response: Metra uses the Brooks Act method of procurement for A & E and construction management type contracts. The Request for Proposal for these contracts lists the number of contracts that will be awarded and the "not to exceed" amount for each type of contract. The contract award may be for signal design, bridge design, or construction management, etc.

Metra concurs and Element 19 above addresses how future A & E typo contracts will be negotiated prior to contract award for fix-fee contracts.

In Element 37 the Reviewer indicates that Metra used the Brooks Method improperly for the non A & E services that were identified during the review. In these contracts, cost was an element of the evaluation; however, the technical portion was opened, evaluated, and scored first, and then the cost portion was opened and evaluated. Finally, the two portions, technical and cost, determined the total score for the respective proposer. The reason justifying keeping cost separate was so that the cost portion would not influence the evaluators' analysis of the technical portion of the proposal.

Reviewing Contractor's Response: Metra's response is not adequate. Metra used the incorrect method of procurement, and should create a corrective action that prevents reoccurrence in the future. Copies of revised procedures and processes, evidence of training, and independent audit reports validating the use of compliant procedures must be provided to FTA within 30 days of the date of the final report. FTA will conduct a separate review of the contract for the manufacturing and engineering of the 176 bi-level passenger railcars to determine whether this contract is eligible for federal funds.

**ARCHITECTURAL AND ENGINEERING
SERVICES CONTRACTS
(BROOKS METHOD)**

V. INSTRUCTIONS (Continued)

C. Selection of Consultant (cont'd)

<u>Responsibility</u>	<u>Action</u>
Requisitioner/User and Professional Services/Contracts	7. Evaluate and then list at least the top three Offerors. Send a list of these Offerors and a list of possible meeting dates to Professional Services/Contracts. Prepare and maintain supporting documents regarding the firm selection.
Professional Services/Contracts	8. If less than three Offerors, conduct a canvass and document findings. 9. Notify these Offerors of their inclusion on a short list and arrange the date, time, and place for a separate discussion and notify DBE Administration and Requisitioner/User of date, time, and place of discussion.
Requisitioner/User and Professional Services/ Contract Division	10. Document the proceedings and details of the discussions. 11. Re-evaluate the Offerors who are within the Scoring Range. The evaluation is to include additional information obtained in any discussion. Select the highest-ranked Offeror.
	12. Request from the highest-ranked Offeror an RC4400 form, hourly burden rates, and any other schedule of rates and/or overhead rates.
Requisitioner/User and Professional Services/ Contracts Division	13. Negotiate the offer, with the highest-ranked Offeror. In the event that the Metra staff is unable to reach an agreement with the highest-ranking Offeror, terminate negotiations and enter into negotiations with the next highest-ranking Offeror.

REVISIONS	ISSUE DATE	PREPARED BY	APPROVED BY	PAGE	OF
4	9-1-06	Materials Management		10	17

**ARCHITECTURAL AND ENGINEERING
SERVICES CONTRACTS
(BROOKS METHOD)**

V. INSTRUCTIONS (Continued)

C. Selection of Consultant (cont'd)

<u>Responsibility</u>	<u>Action</u>
Requisitioner/User and Professional Services/Contracts Division	14. If through negotiations, information on the RC4400 or schedule changes, then require the Offeror to submit an updated RC4400 form. Obtain the terms of the negotiated offer in writing from the Offeror. Perform a Cost Analysis and file a summary of the Cost Analysis with other significant documentation.
Professional Services/Contracts	15. Notify the Offeror firms which were not selected, by letter, that they will not be considered any further unless a candidate is not selected from those Offerors short listed.
Professional Services/Contracts	16. For each firm selected, prepare a recommendation memo (See Exhibit V in PU-06-RC, Professional Services Contracts) to the Executive Director, containing an executive summary. The memo should include: the description, the purpose of the contract, the number of proposals received, the source of funding related to the contract, the cost of the contract, the detailed basis for selection, and the specific reasons for the recommendation of the highest ranking Offeror to obtain Board concurrence.
Executive Director	17. Obtain Board concurrence (See Exhibit II).

REVISIONS	ISSUE DATE	PREPARED BY	APPROVED BY	PAGE	OF
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LTK Engineering Services

METRA - PTC PTC Implementation Plan

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160.55%

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METRA - PTC
PTC Implementation Plan

Calendar Year 2009 Hourly Rate Schedule

Employee Name	Classification	2009 Hourly Rate
Larry, Lisa	Sr. Systems Consultant	\$137.50

- Rate is fully burdened, inclusive of direct labor, overhead, and profit.
- Hourly Rates listed above are for calendar year 2009 and are subject to escalation at the first pay period of each year following.
- Expenses are billed at cost, supported by receipts, with no additional mark up.

sa J. Larry, Inc.

Box 8553
525 Jackpine St.
Tahoe City, CA 96145-8553

Invoice

Date	Invoice #
9/29/2007	203

Bill To

LTK Engineering Services
300 South Wacker Dr., Suite 2840
Chicago, IL 60606
Attn: Paul Novak

P.O. No.	Terms	Project
	Net 30	Dearborn/Congress

Item	Description	Qty	Rate	Amount
Phase 2	Signal Engineering Support Services	34	137.50	4,675.00
			Total	\$4,675.00
			Credits	\$0.00

Balance Due \$4,675.00

Memorandum

Date: September 30, 2009

To: File

From: E.H. Remus *EHR*
Sr. Contracting Agent
Professional Services & Contracts

Subject: Contract No. K91240
Blanket Signal Engineering Services
LTK Engineering Services
Not-to-Exceed \$750,000.00

Cost Review

The attached Wage and Overhead Rates submitted for the subject contract have been reviewed and appear to be fair and reasonable. Most of the hourly wage rates for the prime consultant are within the range of those from other Metra consultants performing similar tasks. **The two (2) exceptions are the Senior Vehicle Consultants, whose rates of \$84.18 and \$75.46 exceed the \$70.00/hr cap and are not allowed to be used under this contract.**

The chart below lists the Prime Consultant Overhead Rate, which was calculated by their independent audit. A copy of that letter is attached.

Their only subconsultant, Lisa Larry, is a sole-owner/proprietorship with no separate breakout for her profit or overhead. **Her rate of \$137.50 is fully burdened including profit and is substantiated by a copy of her invoice to the CTA dated 9/29/07.**

<u>Company Name</u>	<u>Overhead Rate</u>	<u>Date of Independent Audit Letter</u>
LTK Engineering	160.55%	September 30, 2009

Attachments

EHR/jz

cc: C. Gamboa, Professional Services/Contracts
J. L. Lorenzini, Engineering
E. Fernandes, Audit
Vendor File

INVOICE

CONSULTANT APPLICATION FOR PAYMENT

LTK ENGINEERING SERVICES	CONTR. NO: K91240	METRA PROJECT: PTCIP	P. E. NO: EN4394	01/31/10	INVOICE NO: 3978.01-003R2
CONSULTANT ADDRESS:		DESCRIPTION:	PTC Implementation Plan and Design Services -- Task 1	INVOICE PERIOD:	12/26/2009
100 West Butler Avenue, Ambler PA 19002		TYPE OF SERVICES:	Signal Engineering	END:	01/29/2010
CONTRACT AMOUNT:	\$ 750,000	PROJECT AMOUNT:	\$ 750,000	INVOICE AMOUNT:	\$ 173,561.60
MODIFICATIONS:		ADDITIONAL AMOUNT:		ACCOUNT CODES:	EN439457102005
ORIGINAL AMOUNT:	\$ 750,000	PROJECT END DATE:			
END DATE: 2-28-2013					

METRA APPROVAL BOX

BATCH #	VO # X07
VENDOR #	000 3219 102
1089 AREA/ACCT/REF:	
	EN 4394 5710 2005
HNR REC	P.O. # 591240
TRM/DUE 25	DISC. AMT.
ATT	SP CK G/L ACT 4
MAN CK #	CK CK #
P.O./REL VER	CLK/ACC 7-13-10
SUPRV. APPR.	

APPROVED BY ENGINEERING

ON ACCT. BY OK/Sig/2/12/12

FIRM PROJECT MANAGER:
Paul Novak
APPROVAL/DATE: P. Novak 6/23/10

METRA PROJECT MANAGER:
Ignatius Panepito

APPROVAL/DATE

PROJECT APPROVAL BOX

46.93%

23.82%

2010 JUN 25 P 2:39
ACCOUNTS PAYABLE

LTK ENGINEERING SERVICES

Labor Distribution

January, 2010

Employee Name	Employee Classification	Hourly Rate	Total Hours	Total Labor
Project #C3978.01 (Metra- Blanket Design Services)				
Bissett, Kendrick D.G.	Senior Systems Consultant	\$66.50	92.0	\$6,118.00
Callen, Joshua L	Staff Consultant	\$31.52	21.0	\$661.92
Carson, John M	Systems Consultant	\$49.58	74.0	\$3,668.92
Chertock, Guy	Vehicle Consultant	\$33.98	78.0	\$2,650.44
Diaz, David N	Senior Vehicle Consultant	\$70.00	138.0	\$9,660.00
Haas, Brett E	Senior Systems Consultant	\$66.64	34.0	\$2,265.76
Hillis, John E. Jr.	Project Analyst	\$49.90	85.5	\$4,266.45
Howard, Susan	Systems Consultant	\$47.94	4.0	\$191.76
Lee, Robert E	Project Analyst	\$37.62	5.0	\$188.10
McFadden, Daniel J	Senior Vehicle Consultant	\$61.40	99.0	\$6,078.60
Novak, Paul G	Senior Systems Consultant	\$64.21	71.0	\$4,558.91
Patel, Dilip M	Senior Vehicle Consultant	\$69.05	57.0	\$3,935.85
Rhea Jr., William S	Senior Vehicle Consultant	\$70.00	30.5	\$2,135.00
Schultz, Robert	Senior Systems Consultant	\$63.98	149.0	\$9,533.02
St. Ange, Laurie	Staff Consultant	\$30.28	31.0	\$938.68
Walser, Jay S	Senior Systems Consultant	\$64.72	31.5	\$2,038.68
Total Facility Office			1,000.5	\$58,890.09
Total Project Office			-	\$0.00
Total All Offices			1,000.5	\$58,890.09

ACCOUNTS PAYABLE
2010 JUN 25 P 2:39



547 W. Jackson Blvd. Chicago, Illinois 60661 Telephone: (312) 322-6900 TTY# 1-312-322-6774

November 11, 2009

VIA FED EX OVERNITE

Ms. Catherine M. Schmidt
Contracts Manager
LTK Engineering Services
100 West Butler Avenue
Ambler, PA 19002

**Subject: Metra Contract No. K91240 dated November 11, 2009
Blanket Signal Engineering Services
\$750,000.00**

Dear Ms. Schmidt:

Enclosed is the fully executed subject contract for your records.

The insurance certificates previously submitted by your company have been approved by the Metra Risk Management Department. You are hereby authorized to proceed with the work under this contract. Mr. Bill Kaminski of the Metra Signal Engineering Department will be your contact at (312) 322-6915.

Unless an audit has been conducted by Metra, and/or Metra has approved your firm's burden rate from a certified independent audit, the burden rate, as submitted and for your subcontractor(s), is provisionally accepted. Metra reserves the right to conduct an audit to verify the burden rate and claimed costs applicable to this and any subsequent projects. Per Clause 9B, Audit and Inspection of Records, note that contract costs of labor, materials and overhead are subject to audit and any over billings to Metra of actual costs will be repaid to Metra.

With receipt of enclosed contract, please be advised your firm must be aware of and comply with the Federal Railroad Administration (49 CFR 214), Working on Railroad Bridges, rules H469, H470 and H471. Return the acknowledgement to my office at the above letterhead address. Call my office if you have any additional questions at (312) 322-6664.

Page 2

Metra Contract No. K91240

Very truly yours,

CARLOS GAMBOA

Carlos Gamboa, C.P.M.
Department Head
Professional Services/Contracts

EHR/jz
Enclosure

cc: C. Cummins, Gen'l Dev.
J. L. Lorenzini, Engineering
Y. Kostecki, Accts Payable
S. Llano, DBE
C. Kalck, Risk Management
E. Fernandes, Audit

ACKNOWLEDGEMENT OF AWARD LETTER WITH FRA (49 CFR 214) NOTICE

Firm Name: _____

By: (Print): _____

Signature: _____

Date: _____

AGREEMENT
FOR PROFESSIONAL AND CONSULTING SERVICES
BLANKET CONTRACTS

This Agreement is entered into this 11TH day of NOVEMBER, 2009 in Chicago, Illinois, by and between the Northeast Illinois Regional Commuter Railroad Corporation d/b/a Metra, Metropolitan Rail ("Metra"), a public corporation under Illinois law, and LTK Engineering Services ("Consultant"), having offices located at 300 S. Wacker Drive, Suite 2840, Chicago, IL 60606. Consultant and Metra are sometimes collectively referred to as "Parties." In consideration of the promises and agreements set forth, the Parties agree:

1. SCOPE AND DESCRIPTION OF SERVICES.

Consultant will perform the following services ("Work"): Provide Blanket Professional Signal Design Engineering Services.

2. COMPENSATION.

The total amount of this blanket Agreement including all individual tasks, shall not exceed \$750,000.00.

Once specific tasks have been assigned, Metra agrees to pay, and Consultant agrees to accept the prices stipulated on the cost or price schedule, which is attached as Exhibit 2. With respect to the overhead rate described on the attached schedule, Consultant will list the immediate prior year overhead rate. The immediate prior year rate will be a provisional rate until audited by and/or accepted by Metra. Consultant may apply the provisional rate until such time as Metra's Audit Department audits and/or accepts Consultant's actual individual yearly overhead rate as computed under the Illinois Department of Transportation guidelines for computation of overhead rates. Once Metra audits and /or accepts the provisional overhead rate, the actual overhead rate for each year will be applied to each year's respective billings. Payments made using the provisional overhead rate will be subject to change and adjusted to conform with the audited and/or accepted overhead rate for each year. Consultant shall be paid only for the actual Work performed at the prescribed rates during the preceding billing period, not to exceed the percentage of the Work completed as of the end of the billing period. The full payment for each task shall not exceed the total price as stated in the applicable Metra Form 4400 for that particular task(s) assigned ("Total Price"). The Metra Form 4400, agreed to by Metra and submitted by Consultant in response to Metra's request for a specific task, and the subsequent Notice to Proceed (defined below), are incorporated into this Agreement by reference. The Total Price also includes the cost of all applicable taxes (where Metra is not exempt), bonds, if required, and other charges of every kind and nature. The Total Price shall not include, and Metra shall not pay, taxes or fees from which Metra is exempt. Metra is exempt from various federal taxes, all state and unit of local government taxes, and registration and license fees. Consultant shall promptly notify Metra, and afford it the opportunity, before payment of any taxes, to contest said claims in the manner and to the extent it may elect, and to settle or satisfy such claims.

Consultant shall submit all invoices on Metra Form #B100R107, which is incorporated into and made a part of this Agreement, along with all appropriate support documents, for all amounts to be paid by Metra

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT ON THE DATES RECITED BELOW:

NORTHEAST ILLINOIS REGIONAL
COMMUTER RAILROAD
CORPORATION D/B/A METRA

CONSULTANT

RG
BY 
PHILIP A. PAGANO
PRINT NAME

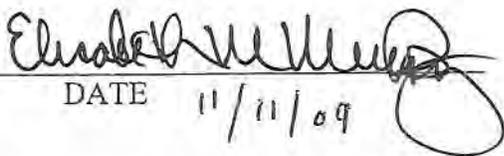
BY 
Frederick H. Landell
PRINT NAME

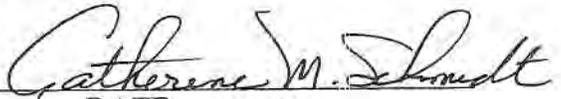
TITLE EXECUTIVE DIRECTOR

TITLE Vice President - Northeast Region

ATTEST

ATTEST

BY 
DATE 11/11/09

BY 
DATE 9/25/09

TITLE ASSISTANT SECRETARY
TO THE BOARD

TITLE Corporate Secretary

From July 21, 2011, PSR Final Report

41. Cost or Price Analysis

Basic Requirement: Chapter VII Section 6.a. of FTA C 4220.1F requires that grantees perform a cost or price analysis in connection with every procurement action, including contract modifications.

Discussion: Fifty-three (53) procurements were reviewed. Six (6) were found to be not deficient, and forty-seven (47) were found deficient. Metra does not have a consistent process in place to complete a cost or price analysis. While several good examples of price analysis were found, the documentation of this analysis was missing in the majority of the files reviewed.

Best Practices: The grantee must ensure that all contract specialists understand the elements of price analysis, and that files reflect the use of such analysis to show a logical determination of price reasonableness. Sources of information that are available to conduct a price analysis include:

- Comparisons with other competitive proposals
- Previous contracts
- Catalog or market prices
- Historical prices and trending
- Independent cost estimates

One method to record this analysis is through use of a preprinted form on which a contracting officer (or other responsible person) can annotate a finding of fair and reasonable pricing and check off the most common reasons why this would be so such as catalog or market prices offered in substantial quantities to the general public, regulated prices (e.g.1 for many utilities purchases), or comparison with recent prices for similar goods and services.

The grantee should conduct a more thorough analysis of price variances on bids, examining variances from the independent estimate as well as the differences between bids recorded. The form included as Appendix I provides an example of price analysis factors to be considered.

Corrective Action: Metra must respond within thirty (30) days from the date of the final report and provide detailed procedures, evidence of adequate training and evidence of independent audits confirming that procedures are being followed consistently.

Metra's Response: Fifty-three (53) procurements were reviewed. Six (6) were found to be not deficient, and forty-seven (47) were found deficient.

While the review did find some good examples of price analysis, the documentation of this analysis was missing in the majority of the files reviewed.

Metra concurs and will implement the recommendation and modify Metra's bid tabulation document sheet to include a statement, based upon staff's analysis, that the price quoted by the lowest responsive and responsible bidder is fair and reasonable based on competitive bids. Additionally, the price/cost analysis requirement is included in the contract file checklist. The process has been implemented with the appropriate staff.

Reviewing Contractor's Response: The corrective action is adequate but copies of revised procedures and processes, evidence of training, and independent audit reports validating the use of compliant procedures must be provided to FTA within 30 days of the date of the final report.

Memorandum

Date: September 30, 2009

To: File

From: E.H. Remus *EHR*
Sr. Contracting Agent
Professional Services & Contracts

Subject: Contract No. K91240
Blanket Signal Engineering Services
LTK Engineering Services
Not-to-Exceed \$750,000.00

Cost Review

The attached Wage and Overhead Rates submitted for the subject contract have been reviewed and appear to be fair and reasonable. Most of the hourly wage rates for the prime consultant are within the range of those from other Metra consultants performing similar tasks. **The two (2) exceptions are the Senior Vehicle Consultants, whose rates of \$84.18 and \$75.46 exceed the \$70.00/hr cap and are not allowed to be used under this contract.**

The chart below lists the Prime Consultant Overhead Rate, which was calculated by their independent audit. A copy of that letter is attached.

Their only subconsultant, Lisa Larry, is a sole-owner/proprietorship with no separate breakout for her profit or overhead. **Her rate of \$137.50 is fully burdened including profit and is substantiated by a copy of her invoice to the CTA dated 9/29/07.**

<u>Company Name</u>	<u>Overhead Rate</u>	<u>Date of Independent Audit Letter</u>
LTK Engineering	160.55%	September 30, 2009

Attachments

EHR/jz

cc: C. Gamboa, Professional Services/Contracts
J. L. Lorenzini, Engineering
E. Fernandes, Audit
Vendor File

LTK Engineering Services

METRA - PTC PTC Implementation Plan

Calendar Year 2009 Hourly Rate Schedule

Employee Name	Classification	2009 Direct Labor Rate
Bisset, Kendrick	Senior Systems Consultant	\$64.90
Carson, John	Systems Consultant	\$48.58
Chertock, Guy	Vehicle Consultant	\$33.66
Diaz, David	Senior Vehicle Consultant	\$84.18
Elliott, David	Senior Vehicle Consultant	\$75.46
Golucki, Mark	Systems Consultant	\$54.24
Jedynak, Zbigniew	CADD Technician	\$36.56
Johnson, Michael	Vehicle Consultant	\$38.68
McFadden, Daniel	Senior Vehicle Consultant	\$60.10
Novak, Paul	Senior Systems Consultant	\$63.72
Patel, Dilip	Senior Vehicle Consultant	\$67.84
Rhea, William	Senior Vehicle Consultant	\$72.12
Schultz, Robert	Senior Systems Consultant	\$62.46
Sergot, George	Senior Systems Consultant	\$49.40
Travis, Richard	Senior Systems Consultant	\$64.74
Weaver, Paul	Senior Systems Consultant	\$62.46

LTK Facilities Overhead Rate

160.55%

LTK Fixed Fee

10.00%

- LTK 2009 Hourly Rates listed above are for calendar year 2009 and are subject to escalation at the first pay period of each year following.
- Expenses are billed at cost, supported by receipts, with no additional mark up.

Lisa J. Larry, Inc.

METRA - PTC
PTC Implementation Plan

Calendar Year 2009 Hourly Rate Schedule

Employee Name	Classification	2009 Hourly Rate
Larry, Lisa	Sr. Systems Consultant	\$137.50

- Rate is fully burdened, inclusive of direct labor, overhead, and profit.
- Hourly Rates listed above are for calendar year 2009 and are subject to escalation at the first pay period of each year following.
- Expenses are billed at cost, supported by receipts, with no additional mark up.

sa J. Larry, Inc.

PO Box 8553
 525 Jackpine St.
 Tahoe City, CA 96145-8553

Invoice

Date	Invoice #
9/29/2007	203

Bill To
LTK Engineering Services 300 South Wacker Dr., Suite 2840 Chicago, IL 60606 Attn: Paul Novak

P.O. No.	Terms	Project
	Net 30	Dearborn/Congress

Item	Description	Qty	Rate	Amount
Phase 2	Signal Engineering Support Services	34	137.50	4,675.00
			Total	\$4,675.00
			Credits	\$0.00

Balance Due \$4,675.00



THE KLAUDER GROUP
Fax Cover Sheet

LTK Engineering Services
Louis T. Klauder and Associates

100 West Butler Avenue
Ambler, PA 19002
Telephone: (215) 542-0700
Fax Number: (215) 542-7676

Number of Pages Sent: 13 (including this sheet)

To: Ed Lemus

Date: 9/30/09

Company: METRA

Reference: _____

Fax No. 312-322-6619

From: Cathy Schmitt

Message:

*Per our discussion following our
overhead calculation as of 9/30/09.*

LTK Engineering Services
STATEMENT OF INDIRECT EXPENSES

Date: 09/30/09
 Time: 7:52:41 AM
 Group Number: 1
 Sequence Number: 1
 Pool Number: 3

Basis: DOLLAR
 Description:
 Total Labor Boilers

Fiscal Year: 2009, Period: S, Subperiod: 1
 Fringe Pool

Account	Organization	Account Name	Current Period		Year To Date	
			Actual	Budget	Actual	Budget
6110	E.1	Vacation Expense	155,805.68	0.00	1,425,156.11	0.00
6120	E.1	Sick Leave	35,199.24	0.00	312,804.73	0.00
6130	E.1	Holiday	2,292.48	0.00	372,667.22	0.00
6140	E.1	Emergency Leave	5,819.91	0.00	54,023.17	0.00
6150	E.1	Other Paid Leaves	0.00	0.00	55,423.58	0.00
6210	E.1	Payroll Taxes	150,694.77	0.00	1,633,517.77	0.00
6220	E.1	Employee Benefits	297,053.84	0.00	2,363,941.91	0.00
6230	E.1	401(k) Contributions	56,494.06	0.00	757,627.80	0.00
6232	E.1	ESOP Contributions	35,000.00	0.00	280,000.00	0.00
6235	E.1	Suppl. Retirement Plan	20,000.00	0.00	160,000.00	0.00
6240	E.1	Worker's Comp. Insurance	5,589.50	0.00	44,921.00	0.00
6250	E.1	Education	141.70	0.00	1,106.44	0.00
6290	E.1	Other Fringes	21,516.95	0.00	116,135.92	0.00
Total Pool Cost:			785,452.05	0.00	7,607,325.65	0.00

Account	Organization	Base Amount	Current Period		Year To Date	
			Allocation	Budget	Allocation	Budget
5100	E.1.MT	34,694.54	13,261.53	0.00	117,997.05	0.00
Direct Labor	Atlanta	30,588.20	11,692.00	0.00	133,186.95	0.00
5100	E.1.CH	31,087.21	12,188.54	0.00	143,597.50	0.00
Direct Labor	Chicago	46,575.21	16,567.34	0.00	217,882.54	0.00
5100	E.1.LA	42,561.66	16,268.73	0.00	151,965.85	0.00
Direct Labor	Los Angeles	28,775.11	10,999.05	0.00	141,753.77	0.00
5100	E.1.NR	25,820.09	9,869.45	0.00	122,393.71	0.00
Direct Labor	Boston	4,717.51	1,803.22	0.00	7,289.44	0.00
5100	E.1.MN	16,857.63	5,141.67	0.00	44,050.49	0.00
Direct Labor	Minneapolis	447,266.96	170,962.11	0.00	1,714,419.76	0.00
5100	E.1.NH	574,564.34	219,620.90	0.00	2,165,455.78	0.00
Direct Labor	New Hampshire	81,259.21	31,060.44	0.00	299,175.08	0.00
5100	E.1.PA	22,398.94	8,561.75	0.00	104,530.54	0.00
Direct Labor	Pennsylvania					
5100	E.1.PJ					
Direct Labor	Project Site					
5100	E.1.PT					
Direct Labor	Portland					
5100	E.1.SE					
Direct Labor	Seattle					

LTK Engineering Services
STATEMENT OF INDIRECT EXPENSES

Fiscal Year: 2009, Period: 8, Subperiod: 1
 Fringe Pool

Date: 09/30/09
 Time: 7:52:42 AM
 Group Number: 1
 Sequence Number: 1
 Pool Number: 3

Basis: DCLLAK
 Description:
 Total Labor Budgets

Account	Organization	Current Period		Year To Date		Budget Amount
		Base Amount	Allocation Amount	Base Amount	Allocation Amount	
5100 Direct Labor	E.1.SF	19,465.85	7,449.61	191,788.56	59,806.58	0.00
5999-10 Unallowable Direct Labor	San Francisco	2,409.25	920.91	33,741.25	14,232.10	0.00
5999-10 Unallowable Direct Labor	Boston	0.00	0.00	198.29	03.64	0.00
5999-10 Unallowable Direct Labor	Newark	0.00	0.00	243.74	102.81	0.00
5999-10 Unallowable Direct Labor	New Hampshire	0.00	0.00	336.00	141.73	0.00
5999-10 Unallowable Direct Labor	New York	709.30	171.13	17,852.90	7,530.41	0.00
5999-10 Unallowable Direct Labor	San Francisco	369.88	332.50	3,751.01	1,582.16	0.00
5999-10 Unallowable Direct Labor	Project Site	0.00	0.00	1,433.57	604.68	0.00
5999-10 Unallowable Direct Labor	Portland	275.40	105.27	898.70	379.07	0.00
5999-10 Unallowable Direct Labor	Seattle	82.64	31.59	2,516.72	1,062.56	0.00
7100 Indirect Labor	Atlanta	19,264.25	7,363.55	129,805.25	54,752.00	0.00
7100 Indirect Labor	Chicago	17,543.15	6,705.68	122,619.15	51,720.89	0.00
7100 Indirect Labor	Denver	128,760.17	49,217.16	909,474.15	383,617.19	0.00
7100 Indirect Labor	General & Administrative	6,109.76	2,365.97	46,921.20	19,791.41	0.00
7100 Indirect Labor	Los Angeles	681.36	260.44	45,178.50	19,056.34	0.00
7100 Indirect Labor	Boston	1,200.35	461.88	18,190.69	7,672.65	0.00
7100 Indirect Labor	Minneapolis	1,502.50	574.31	16,418.55	6,925.36	0.00
7100 Indirect Labor	Newark	6,123.66	2,340.71	33,458.95	14,113.02	0.00
7100 Indirect Labor	New Hampshire	14,499.38	5,542.23	100,204.07	42,566.19	0.00
7100 Indirect Labor	New York	52,524.88	20,077.06	410,359.58	173,090.12	0.00
7100 Indirect Labor	Ambler	24,673.93	9,431.34	172,726.01	72,856.02	0.00
7100 Indirect Labor	Project Site	22,569.49	8,634.56	151,299.24	65,816.18	0.00
7100 Indirect Labor	Portland	5,479.20	2,094.36	17,517.44	7,386.66	0.00
7100 Indirect Labor	Seattle	3,509.43	1,341.44	18,848.09	7,950.14	0.00
7100 Indirect Labor	San Francisco	961,620.80	107,646.45	2,420,245.74	1,020,865.29	0.00
8100 G & A Labor	General & Administrative	55,714.30	21,296.16	503,131.74	212,221.52	0.00
9100 Pr	General & Administrative					

Date: 09/30/09
Time: 7:52:42 AM
Group Number: 1
Sequence Number: 1
Pool Number: 5

LTK Engineering Services
STATEMENT OF INDIRECT EXPENSES
Fiscal Year: 2009, Period: 8, Subperiod: 1
Single Pool

Basic: DOLLAR
Description:
TOTAL LABOR HOURS

2,054,871.58 785,452.08 0.00 18,035,338.98 7,607,325.66 0.00

Total Pool Base:

42.180109%
-0.01

38.223900%
-0.03

RATE:
UNABSORBED:

LTK Engineering Services
STATEMENT OF INDIRECT EXPENSES
 Fiscal Year: 2009, Period: B, Subperiod: 1
 G & A ALLOCATION POOL

Date: 09/30/09
 Time: 7:52:42 AM
 Group Number: 1
 Sequence Number: 2
 Pool Number: 4

Base: 00LLAF
 Description:
 Direct Labor

Account	Organization	Account Name	Current Period		Year To Date	
			Actual	Budget	Actual	Budget
7100	E.I.GA	Indirect Labor	128,760.17	9.55	302,476.15	0.00
7210	E.I.GA	Rent	56,281.38	0.00	379,701.97	0.00
7220	E.I.GA	Electric	4,468.10	0.00	18,462.01	0.00
7230	E.I.GA	Telephone	8,473.69	0.00	63,452.30	0.00
7240	E.I.GA	Mailing	4,324.72	0.00	36,527.25	0.00
7250	E.I.GA	Reproduction	2,270.15	0.00	11,434.72	0.00
7260	E.I.GA	Computer Expenses	22,681.70	0.00	150,463.55	0.00
7280	E.I.GA	Office Supplies	1,799.60	0.00	15,980.16	0.00
7300	E.I.GA	Temporary Help	252.83	0.00	1,643.19	0.00
7310	E.I.GA	Meals/Entertain	262.12	0.00	3,743.87	0.00
7320	E.I.GA	Depreciation & Amort.	10,000.00	0.00	72,300.53	0.00
7330	E.I.GA	Indirect Travel	4,461.92	0.00	42,423.68	0.00
7340	E.I.GA	Other Office Expenses	357.62	0.00	7,950.52	0.00
7350	E.I.GA	G & A Labor	281,620.60	0.00	2,420,245.70	0.00
8100	E.I.GA	Deferred Compensation	25,000.00	0.00	220,000.00	0.00
8210	E.I.GA	Bonus Expense	8,000.00	0.00	8,000.00	0.00
8220	E.I.GA	Other Compensation	22,421.24	0.00	92,423.72	0.00
8230	E.I.GA	G & A Travel	8,267.30	0.00	50,945.32	0.00
8310	E.I.GA	Library	3,093.47	0.00	62,960.86	0.00
8320	E.I.GA	Dues and Memberships	10,486.77	0.00	131,667.52	0.00
8330	E.I.GA	Conferences	3,913.11	0.00	44,054.92	0.00
8340	E.I.GA	Business Meetings	37,853.51	0.00	205,522.33	0.00
8350	E.I.GA	Professional Liab. Ins.	7,936.08	0.00	62,178.19	0.00
8360	E.I.GA	General Insurance	17,000.00	0.00	136,000.00	0.00
8365	E.I.GA	Corporate Taxes	33,238.38	0.00	305,120.31	0.00
8370	E.I.GA	Professional Services	42,230.06	0.00	313,762.45	0.00
8380	E.I.GA	Relocation Expenses	4,602.80	0.00	24,172.62	0.00
8390	E.I.GA	Recruiting Costs	20,000.00	0.00	83,582.06	0.00
8400	E.I.GA	Business Development	6,479.11	0.00	84,317.76	0.00
8410	E.I.GA	Other Business Expenses	55,714.30	0.00	507,131.74	0.00
8490	E.I.GA	Proposals - Labor	8,828.15	0.00	39,297.71	0.00
9100	E.I.GA	Proposals - Travel	0.00	0.00	37.56	0.00
9208	E.I.GA	Prop. ODC's - Telephone	1,269.35	0.00	1,289.35	0.00
9600-10	E.I.GA	Prop. ODC's - Reprint.	63.13	0.00	630.99	0.00
9600-20	E.I.GA	Prop. ODC's - Mailing	5,149.00	0.00	17,816.72	0.00
9600-30	E.I.GA	Prop. ODC's - Misc.	179,473.30	0.00	1,616,701.00	0.00
9600-50	E.I.GA	Fringe on Indirect Labor				
9901-01	E.I.GA					
Total Pool Cost:			1,189,855.50	0.00	9,527,454.25	0.00

Account	Organization	Base Amount	Current Period		Year To Date	
			Allocation Amount	Budget Amount	Allocation Amount	Budget Amount
5100	E.I.AT	34,694.14	29,217.30	0.00	206,346.64	0.00
Direct Labor						
Atlanta						

Date: 09/30/09
 Time: 7:52:42 AM
 Group Number: 1
 Sequence Number: 2
 Pool Number: 4

LTK Engineering Services
STATEMENT OF INDIRECT EXPENSES
 Fiscal Year: 2009, Period: 6, Subperiod: 1
 G & R Allocation Pool

Basic: DOLLAR
 Description:
 Direct Labor

Account	Organization	Current Period		Year To Date	
		Base Amount	Allocation Amount	Base Amount	Allocation Amount
5100 Direct Labor	E.L.CH	30,528.20	25,759.36	235,157.73	232,910.27
5100 Direct Labor	E.L.DV	11,667.21	26,853.32	340,438.90	251,115.64
5100 Direct Labor	E.L.LA	48,575.21	40,906.86	516,552.62	381,021.35
5100 Direct Labor	E.L.LA	42,561.66	35,842.64	360,278.55	265,749.82
5100 Direct Labor	E.L.MN	28,775.31	24,232.68	356,067.81	247,891.42
5100 Direct Labor	E.L.NE	25,820.00	21,793.99	260,319.27	214,025.52
5100 Direct Labor	E.L.RH	4,717.52	3,972.78	17,281.70	12,747.36
5100 Direct Labor	E.L.RY	16,067.63	13,531.11	184,434.28	77,033.15
5100 Direct Labor	E.L.PE	447,264.96	376,657.27	4,064,521.87	2,596,085.71
5100 Direct Labor	E.L.EE	574,564.34	483,860.47	5,135,831.64	3,796,823.42
5100 Direct Labor	E.L.PT	81,259.21	60,431.19	709,280.01	523,181.46
5100 Direct Labor	E.L.SE	22,398.94	18,862.92	247,819.51	182,797.42
5100 Direct Labor	E.L.SI	19,465.85	16,392.86	141,788.58	104,586.55
5999-10 Unallowable Direct Labor	E.L.MA	2,409.25	2,028.91	33,741.25	24,888.33
5999-10 Unallowable Direct Labor	E.L.NE	0.00	0.00	198.29	146.26
5999-10 Unallowable Direct Labor	E.L.NK	0.00	0.00	243.74	179.79
5999-10 Unallowable Direct Labor	E.L.NY	0.00	0.00	536.00	247.64
5999-10 Unallowable Direct Labor	E.L.PA	709.32	597.34	7,852.98	13,168.77
5999-10 Unallowable Direct Labor	E.L.PJ	869.88	732.56	3,751.01	2,766.83
5999-10 Unallowable Direct Labor	E.L.PT	0.00	0.00	1,433.57	1,057.43
5999-10 Unallowable Direct Labor	E.L.SI	275.40	231.92	898.70	662.90
Total Pool Base:		1,412,904.31	1,189,855.50	12,916,423.91	9,527,454.17

Budget Amount: 0.00

73,762,322\$
0.08

84,213,453\$
0.00

UNABSORBED:

Date: 09/30/09
 Time: 7:52:43 AM
 Group Number: 3
 Sequence Number: 3
 Pool Number: 2

LTK Engineering Services
 STATEMENT OF INDIRECT EXPENSES
 Fiscal Year: 2009, Period: 9, Subperiod: 1
 Project/Field Pool

Basis: DOLLAR
 Description: Project/Field Labor

Account	Organization	Account Name	Current Period		Year To Date	
			Actual	Budget	Actual	Budget
7100	E.1.PJ	Indirect Labor	24,573.55	0.00	172,726.01	0.00
7230	E.1.PJ	Telephone	721.01	0.00	5,780.86	0.00
7240	E.1.PJ	Mailing	395.63	0.00	4,674.07	0.00
7260	E.1.PJ	Computer Expenses	486.54	0.00	2,741.42	0.00
7280	E.1.PJ	Office Supplies	589.94	0.00	5,910.09	0.00
7320	E.1.PJ	Depreciation & Amort.	1,166.03	0.00	8,282.34	0.00
7330	E.1.PJ	Indirect Travel	114.00	0.00	6,615.88	0.00
7340	E.1.PJ	Other Office Expenses	0.00	0.00	297.36	0.00
7390	E.1.PJ	Prize on Indirect Labor	4,658.33	0.00	72,856.02	0.00
9901-01	E.1.PJ	Prize on Direct Labor	219,510.45	0.00	2,167,037.96	0.00
9901-02	E.1.PJ	Prize on Direct Labor	467,015.94	0.00	1,789,600.26	0.00
9901-03	E.1.PJ	Prize on Direct Labor				
9901-04	E.1.PJ	Prize on Direct Labor				
9901-05	E.1.PJ	Prize on Direct Labor				
			740,329.35	0.00	6,236,752.27	0.00

Total Pool Cost:

Account	Organization	Current Period		Year To Date	
		Base Amount	Budget Amount	Base Amount	Allocation Amount
5100	E.1.PJ	574,564.34	0.00	5,133,831.64	6,232,190.75
Direct Labor	Project Site	869.86	0.00	3,751.01	4,553.53
5999-10	Project Site				
Unallowable Direct Labor					
		575,434.22	0.00	5,137,582.65	6,236,752.28

Total Pool Base:

121.394685%

128.655774%

UNABSORBED:
 -0.01

LTK Engineering Services
STATEMENT OF INDIRECT EXPENSES
 Fiscal Year: 2009, Period: 8, Subperiod: 1
 LTK Facility Pool

Basis: COLLECT
 Description: LTK Facility Labor

Date: 09/30/09
 Time: 7:52:43 AM
 Group Number: 1
 Sequence Number: 3
 Pool Number: 101

Account	Organization	Account Name	Current Period		Year To Date	
			Actual	Budget	Actual	Budget
7100	E.1.AT	Indirect Labor	82.69	0.00	2,516.72	0.00
7100	E.1.CH	Indirect Labor	19,264.25	0.00	129,808.25	0.00
7100	E.1.DV	Indirect Labor	17,543.15	0.00	122,619.15	0.00
7100	E.1.LA	Indirect Labor	6,189.76	0.00	46,921.20	0.00
7100	E.1.MA	Indirect Labor	601.36	0.00	45,176.50	0.00
7100	E.1.MN	Indirect Labor	1,208.35	0.00	18,190.69	0.00
7100	E.1.NE	Indirect Labor	1,502.50	0.00	16,438.55	0.00
7100	E.1.NH	Indirect Labor	6,123.68	0.00	33,452.95	0.00
7100	E.1.NY	Indirect Labor	14,499.38	0.00	100,204.07	0.00
7100	E.1.PA	Indirect Labor	52,524.86	0.00	410,359.58	0.00
7100	E.1.PT	Indirect Labor	22,589.49	0.00	151,299.26	0.00
7100	E.1.SE	Indirect Labor	2,479.20	0.00	17,517.84	0.00
7100	E.1.SF	Indirect Labor	3,509.43	0.00	18,646.09	0.00
7100	E.1.SR	Indirect Labor	6,778.87	0.00	28,406.07	0.00
7210	E.1.AT	Rent	10,847.11	0.00	81,555.12	0.00
7210	E.1.CH	Rent	10,935.31	0.00	71,531.85	0.00
7210	E.1.DV	Rent	14,078.46	0.00	111,943.87	0.00
7210	E.1.LA	Rent	13,282.50	0.00	106,260.00	0.00
7210	E.1.MA	Rent	14,702.72	0.00	116,084.81	0.00
7210	E.1.MN	Rent	6,440.75	0.00	52,442.75	0.00
7210	E.1.NE	Rent	2,032.50	0.00	12,195.00	0.00
7210	E.1.NH	Rent	6,495.49	0.00	55,562.05	0.00
7210	E.1.NY	Rent	74,646.43	0.00	424,617.15	0.00
7210	E.1.PA	Rent	800.00	0.00	800.00	0.00
7210	E.1.PI	Rent	15,566.05	0.00	122,278.34	0.00
7210	E.1.PT	Rent	4,193.70	0.00	33,832.30	0.00
7210	E.1.SE	Rent	4,481.54	0.00	35,852.32	0.00
7210	E.1.SF	Rent	267.18	0.00	2,561.69	0.00
7220	E.1.CH	Electric	632.50	0.00	5,060.00	0.00
7220	E.1.MA	Electric	405.47	0.00	2,315.56	0.00
7220	E.1.NE	Electric	169.37	0.00	1,616.25	0.00
7220	E.1.NH	Electric	678.56	0.00	5,276.21	0.00
7220	E.1.NY	Electric	8,279.68	0.00	32,100.62	0.00
7220	E.1.PA	Electric	0.00	0.00	707.45	0.00
7220	E.1.SE	Electric	108.28	0.00	491.23	0.00
7230	E.1.AT	Telephone	388.65	0.00	3,554.95	0.00
7230	E.1.CH	Telephone	1,105.70	0.00	8,949.42	0.00
7230	E.1.DV	Telephone	1,153.25	0.00	8,589.91	0.00
7230	E.1.LA	Telephone	788.33	0.00	4,332.39	0.00
7230	E.1.MA	Telephone	496.19	0.00	5,038.60	0.00
7230	E.1.MN	Telephone	521.34	0.00	4,057.53	0.00
7230	E.1.NE	Telephone	291.78	0.00	969.69	0.00
7230	E.1.NH	Telephone	318.11	0.00	2,700.35	0.00
7230	E.1.NY	Telephone	2,514.27	0.00	16,320.95	0.00
7230	E.1.PA	Telephone	848.68	0.00	6,230.77	0.00
7230	E.1.PT	Telephone	223.87	0.00	2,249.46	0.00
7230	E.1.SE	Telephone	249.62	0.00	2,236.81	0.00
7230	E.1.SF	Telephone	81.58	0.00	1,222.84	0.00
7240	E.1.AT	Mailing	31.37	0.00	979.22	0.00
7240	E.1.CH	Mailing	212.13	0.00	1,264.78	0.00
7240	E.1.DV	Mailing	65.14	0.00	1,956.84	0.00
7240	E.1.LA	Mailing	33.59	0.00	469.51	0.00
7240	E.1.MA	Mailing		0.00		0.00

LTK Engineering Services STATEMENT OF INDIRECT EXPENSES

Basis: DOLLAR
Description:
LTK Facility Labor

Fiscal Year: 2009, Period: 6, Subperiod: 1
LTK Facility Pool

Date: 09/30/09
Time: 7:52:43 AM
Group Number: 1
Sequence Number: 3
Pool Number: 101

Account	Organization	Account Name	Current Period		Year To Date	
			Actual	Budget	Actual	Budget
7240	E.I.NH	Mailing	216.77	0.00	1,489.63	0.00
7240	E.I.NE	Mailing	143.51	0.00	564.45	0.00
7240	E.I.NH	Mailing	34.42	0.00	106.99	0.00
7240	E.I.NY	Mailing	46.05	0.00	629.17	0.00
7240	E.I.PA	Mailing	464.14	0.00	3,236.91	0.00
7240	E.I.PT	Mailing	238.34	0.00	7,573.88	0.00
7240	E.I.SE	Mailing	80.04	0.00	610.34	0.00
7240	E.I.SF	Mailing	125.23	0.00	681.63	0.00
7240	E.I.SF	Mailing	0.00	0.00	349.00	0.00
7250	E.I.NY	Reproduction	414.04	0.00	1,131.71	0.00
7250	E.I.CH	Reproduction	75.32	0.00	2,628.51	0.00
7250	E.I.DV	Reproduction	0.00	0.00	1,974.64	0.00
7250	E.I.LA	Reproduction	130.65	0.00	51.11	0.00
7250	E.I.MA	Reproduction	54.76	0.00	550.35	0.00
7250	E.I.NR	Reproduction	21.40	0.00	187.86	0.00
7250	E.I.NE	Reproduction	109.50	0.00	539.65	0.00
7250	E.I.NR	Reproduction	31.11	0.00	331.25	0.00
7250	E.I.NY	Reproduction	4,213.46	0.00	10,957.42	0.00
7250	E.I.PE	Reproduction	272.13	0.00	2,125.34	0.00
7250	E.I.PT	Reproduction	582.04	0.00	852.25	0.00
7250	E.I.SE	Reproduction	0.00	0.00	1,549.07	0.00
7250	E.I.SF	Reproduction	800.00	0.00	8,575.67	0.00
7260	E.I.CH	Computer Expenses	253.61	0.00	2,248.74	0.00
7260	E.I.DV	Computer Expenses	413.26	0.00	3,125.14	0.00
7260	E.I.LA	Computer Expenses	1,330.06	0.00	3,608.63	0.00
7260	E.I.MA	Computer Expenses	0.00	0.00	3,085.52	0.00
7260	E.I.NN	Computer Expenses	0.00	0.00	106.40	0.00
7260	E.I.NE	Computer Expenses	947.45	0.00	1,772.33	0.00
7260	E.I.NH	Computer Expenses	-48.77	0.00	592.80	0.00
7260	E.I.NY	Computer Expenses	2,710.43	0.00	45,480.92	0.00
7260	E.I.PA	Computer Expenses	157.35	0.00	5,693.89	0.00
7260	E.I.PT	Computer Expenses	0.00	0.00	812.94	0.00
7260	E.I.SE	Computer Expenses	-49.27	0.00	1,260.19	0.00
7260	E.I.SF	Computer Expenses	736.24	0.00	2,766.62	0.00
7280	E.I.NY	Office Supplies	54.18	0.00	3,120.19	0.00
7280	E.I.CH	Office Supplies	515.08	0.00	2,522.51	0.00
7280	E.I.DV	Office Supplies	255.30	0.00	2,554.95	0.00
7280	E.I.LA	Office Supplies	316.21	0.00	2,942.48	0.00
7280	E.I.MA	Office Supplies	973.05	0.00	5,523.12	0.00
7280	E.I.MF	Office Supplies	0.00	0.00	1,274.16	0.00
7280	E.I.NE	Office Supplies	227.00	0.00	1,964.92	0.00
7280	E.I.NH	Office Supplies	59.05	0.00	907.01	0.00
7280	E.I.NY	Office Supplies	1,533.46	0.00	15,920.56	0.00
7280	E.I.PA	Office Supplies	100.29	0.00	100.29	0.00
7280	E.I.PT	Office Supplies	62.64	0.00	3,110.25	0.00
7280	E.I.SE	Office Supplies	14.44	0.00	1,468.35	0.00
7280	E.I.SF	Office Supplies	0.00	0.00	3,172.14	0.00
7280	E.I.SF	Office Supplies	0.00	0.00	3,206.18	0.00
7300	E.I.DV	Temporary Help	0.00	0.00	754.91	0.00
7300	E.I.MA	Temporary Help	156.72	0.00	2,073.18	0.00
7300	E.I.PA	Temporary Help	218.40	0.00	1,587.76	0.00
7300	E.I.PT	Temporary Help	668.50	0.00	1,520.10	0.00
7300	E.I.SE	Temporary Help	372.07	0.00	98.08	0.00
7310	E.I.DV	Maintenance	98.08	0.00		0.00

Date: 09/30/09
 Time: 7:52:44 AM
 Group Number: 1
 Sequence Number: 3
 Pool Number: 101

LTK Engineering Services
 STATEMENT OF INDIRECT EXPENSES
 Fiscal Year: 2009, Period: 8, Subperiod: 1
 LTR Facility Pool

Basis: DOLLAR
 Description: LTR Facility Labor

Account	Organization	Account Name	Current Period		Year to Date	
			Actual	Budget	Actual	Budget
7330	E.1.MR	Maintenance	0.00	0.00	516.00	0.00
7310	E.1.NY	Maintenance	0.00	0.00	1,992.12	0.00
7310	E.1.PA	Maintenance	0.00	0.00	7,859.52	0.00
7310	E.1.PT	Maintenance	0.00	0.00	1,067.46	0.00
7310	E.1.SE	Maintenance	0.00	0.00	193.22	0.00
7330	E.1.AT	Depreciation & Amort.	310.20	0.00	1,546.04	0.00
7330	E.1.CH	Depreciation & Amort.	1,315.01	0.00	10,520.00	0.00
7330	E.1.DV	Depreciation & Amort.	2,454.07	0.00	19,287.83	0.00
7330	E.1.LA	Depreciation & Amort.	1,135.53	0.00	8,621.13	0.00
7330	E.1.MA	Depreciation & Amort.	1,428.96	0.00	11,405.49	0.00
7336	E.1.NH	Depreciation & Amort.	3,762.57	0.00	30,100.56	0.00
7330	E.1.NE	Depreciation & Amort.	710.34	0.00	5,915.89	0.00
7330	E.1.NH	Depreciation & Amort.	738.44	0.00	769.17	0.00
7330	E.1.NY	Depreciation & Amort.	1,116.18	0.00	8,052.29	0.00
7330	E.1.PA	Depreciation & Amort.	8,757.54	0.00	63,798.76	0.00
7330	E.1.PT	Depreciation & Amort.	46.97	0.00	46.97	0.00
7330	E.1.SE	Depreciation & Amort.	1,456.47	0.00	10,995.28	0.00
7330	E.1.SF	Depreciation & Amort.	749.46	0.00	5,787.27	0.00
7330	E.1.ST	Depreciation & Amort.	63.57	0.00	225.55	0.00
7340	E.1.CH	Indirect Travel	0.00	0.00	7,764.15	0.00
7340	E.1.DV	Indirect Travel	1,314.82	0.00	1,773.02	0.00
7340	E.1.LA	Indirect Travel	2,012.45	0.00	11,269.93	0.00
7340	E.1.MA	Indirect Travel	0.00	0.00	10,273.76	0.00
7340	E.1.NA	Indirect Travel	50.00	0.00	7,139.27	0.00
7340	E.1.MN	Indirect Travel	109.30	0.00	811.86	0.00
7340	E.1.NC	Indirect Travel	710.02	0.00	5,429.73	0.00
7340	E.1.NH	Indirect Travel	5,712.83	0.00	10,362.74	0.00
7340	E.1.NY	Indirect Travel	1,713.77	0.00	13,629.88	0.00
7340	E.1.PA	Indirect Travel	2,988.25	0.00	49,573.65	0.00
7340	E.1.PT	Indirect Travel	0.00	0.00	559.20	0.00
7340	E.1.SE	Indirect Travel	2,814.06	0.00	18,423.67	0.00
7340	E.1.ST	Indirect Travel	0.00	0.00	1,239.57	0.00
7390	E.1.AT	Other Office Expenses	0.00	0.00	-40.93	0.00
7390	E.1.CH	Other Office Expenses	33.84	0.00	390.89	0.00
7390	E.1.DV	Other Office Expenses	32.56	0.00	56.68	0.00
7390	E.1.LA	Other Office Expenses	77.36	0.00	1,230.76	0.00
7390	E.1.MA	Other Office Expenses	0.00	0.00	559.01	0.00
7390	E.1.MN	Other Office Expenses	84.50	0.00	116.56	0.00
7390	E.1.NC	Other Office Expenses	843.35	0.00	4,693.35	0.00
7390	E.1.NE	Other Office Expenses	112.50	0.00	526.55	0.00
7390	E.1.NH	Other Office Expenses	434.03	0.00	7,644.80	0.00
7390	E.1.PA	Other Office Expenses	665.97	0.00	1,566.67	0.00
7390	E.1.PT	Other Office Expenses	0.00	0.00	1,401.01	0.00
7390	E.1.SE	Other Office Expenses	0.00	0.00	568.43	0.00
7390	E.1.SF	Other Office Expenses	120.67	0.00	1,061.56	0.00
9901-01	E.1.AT	Fringe on Indirect Labor	22.48	0.00	54,752.00	0.00
9901-01	E.1.CH	Fringe on Indirect Labor	7,565.35	0.00	51,720.85	0.00
9901-01	E.1.DV	Fringe on Indirect Labor	6,365.19	0.00	19,791.81	0.00
9901-01	E.1.LA	Fringe on Indirect Labor	2,402.64	0.00	19,056.34	0.00
9901-01	E.1.MA	Fringe on Indirect Labor	61.05	0.00	7,672.85	0.00
9901-01	E.1.MN	Fringe on Indirect Labor	423.29	0.00	6,925.36	0.00
9901-01	E.1.NC	Fringe on Indirect Labor	557.87	0.00	14,133.02	0.00
9901-01	E.1.NE	Fringe on Indirect Labor	2,443.91	0.00	42,266.19	0.00
9901-01	E.1.NH	Fringe on Indirect Labor	5,679.07	0.00		
9901-01	E.1.NY	Fringe on Indirect Labor		0.00		

LTK Engineering Services
 STATEMENT OF INDIRECT EXPENSES

Fiscal Year: 2009, Period: 8, Subperiod: 1
 LTR Facility Fund

Basels: DOLLAR
 Description:
 LTR Facility Labor

Group Number: 1
 Sequence Number: 3
 Pool Number: 101

Account	Organization	Account Name	Current Period		Year To Date	
			Actual	Budget	Actual	Budget
9901-D1	E.1.PA	Fringe on Indirect Labor	20,534.69	0.00	173,090.17	0.00
9901-D1	E.1.PT	Fringe on Indirect Labor	8,873.50	0.00	63,818.18	0.00
9901-D1	E.1.SE	Fringe on Indirect Labor	2,249.90	0.00	7,368.88	0.00
9901-D1	E.1.SF	Fringe on Indirect Labor	1,402.25	0.00	7,950.14	0.00
9901-D2	E.1.AT	Fringe on Direct Labor	13,367.50	0.00	117,957.05	0.00
9901-D2	E.1.CH	Fringe on Direct Labor	11,451.44	0.00	133,186.95	0.00
9901-D2	E.1.OV	Fringe on Direct Labor	11,080.41	0.00	143,597.50	0.00
9901-D2	E.1.LA	Fringe on Direct Labor	16,108.40	0.00	217,882.54	0.00
9901-D2	E.1.MA	Fringe on Direct Labor	17,193.13	0.00	166,197.99	0.00
9901-D2	E.1.MN	Fringe on Direct Labor	10,574.22	0.00	141,753.71	0.00
9901-D2	E.1.NE	Fringe on Direct Labor	9,545.14	0.00	122,477.35	0.00
9901-D2	E.1.NH	Fringe on Direct Labor	1,524.70	0.00	7,392.25	0.00
9901-D2	E.1.NY	Fringe on Direct Labor	6,326.11	0.00	31,452.27	0.00
9901-D2	E.1.PA	Fringe on Direct Labor	178,467.10	0.00	1,721,950.17	0.00
9901-D2	E.1.PT	Fringe on Direct Labor	31,073.10	0.00	299,779.76	0.00
9901-D2	E.1.SE	Fringe on Direct Labor	8,414.14	0.00	104,909.61	0.00
9901-D2	E.1.SF	Fringe on Direct Labor	7,588.45	0.00	59,606.58	0.00
9905-DR	E.1.AT	G & A Allocation	28,736.94	0.00	206,346.94	0.00
9905-DR	E.1.CH	G & A Allocation	26,223.13	0.00	232,910.22	0.00
9905-DR	E.1.OV	G & A Allocation	27,481.46	0.00	251,315.64	0.00
9905-DR	E.1.LA	G & A Allocation	41,837.37	0.00	381,021.35	0.00
9905-DR	E.1.MA	G & A Allocation	37,652.13	0.00	290,638.15	0.00
9905-DR	E.1.MN	G & A Allocation	25,165.86	0.00	247,091.42	0.00
9905-DR	E.1.NE	G & A Allocation	22,441.34	0.00	219,181.85	0.00
9905-DR	E.1.NH	G & A Allocation	3,644.15	0.00	12,927.17	0.00
9905-DR	E.1.NY	G & A Allocation	12,990.48	0.00	77,260.99	0.00
9905-DR	E.1.PA	G & A Allocation	377,089.06	0.00	3,011,254.48	0.00
9905-DR	E.1.PT	G & A Allocation	68,018.64	3.00	524,238.63	0.00
9905-DR	E.1.SE	G & A Allocation	19,626.72	0.00	183,460.37	0.00
9905-DR	E.1.SF	G & A Allocation	15,928.65	0.00	104,586.55	0.00
Total Pool Cost:			1,503,833.34	0.00	12,489,359.15	0.00

Account	Organization	Base Amount	Current Period		Year To Date	
			Allocation Amount	Budget Amount	Allocation Amount	Budget Amount
5100	E.1.AT	34,694.33	62,300.14	0.00	449,167.20	0.00
Direct Labor	Atlanta	30,568.20	54,926.80	0.00	506,966.44	0.00
5100	E.1.CH	31,887.21	57,259.42	0.00	546,593.45	0.00
Direct Labor	Chicago	48,575.21	87,225.83	0.00	829,354.07	0.00
5100	E.1.LA	42,561.66	76,427.18	0.00	578,447.10	0.00
Direct Labor	Los Angeles					
5100	E.1.MA					
Direct Labor	Boston					

LTK Engineering Services
STATEMENT OF INDIRECT EXPENSES
 Fiscal Year: 2009, Period: 8, Subperiod: 1
 LTK Facility Pool

Basis: DOLLAR
 Description:
 LTK Facility Labor

Date: 09/30/09
 Time: 7:52:45 AM
 Group Number: 1
 Sequence Number: 3
 Pool Number: 101

Account	Organization	Current Period		Year To Date	
		Base Amount	Allocation Amount	Base Amount	Allocation Amount
5100 Direct Labor	E.I.MH	28,775.31	51,671.42	336,067.21	539,575.42
5100 Direct Labor	E.I.NE	25,820.09	46,364.77	290,169.27	465,882.78
5100 Direct Labor	E.I.NH	4,717.51	8,471.17	17,281.70	27,746.72
5100 Direct Labor	E.I.NY	16,067.63	28,852.42	104,434.28	167,675.00
5100 Direct Labor	E.I.PA	447,264.96	803,147.44	4,064,521.87	6,525,814.26
5100 Direct Labor	E.I.PT	81,259.21	145,916.03	709,580.01	1,130,786.22
5100 Direct Labor	E.I.SE	22,398.94	40,221.46	247,619.51	397,887.91
5100 Direct Labor	E.I.SF	19,465.85	34,954.55	141,786.58	227,649.39
5999-10 Unallowable Direct Labor	E.I.MA	2,409.25	4,326.26	33,741.25	54,173.44
5999-10 Unallowable Direct Labor	E.I.NE	0.00	0.00	198.29	318.37
5999-10 Unallowable Direct Labor	E.I.NH	0.00	0.00	243.74	391.34
5999-10 Unallowable Direct Labor	E.I.NY	0.00	0.00	336.00	539.41
5999-10 Unallowable Direct Labor	E.I.PA	709.32	1,273.72	17,852.98	28,663.91
5999-10 Unallowable Direct Labor	E.I.PT	0.00	0.00	1,433.57	2,301.68
5999-10 Unallowable Direct Labor	E.I.SE	275.40	494.53	898.70	1,442.91
Total Pool Base:		837,470.09	1,503,833.34	7,776,861.26	12,489,359.12

160.5555214
 0.03

RATE: 179.5686034
 UNABSORBED: 0.00

PRICE ANALYSIS DOCUMENTATION

Date: _____

IFB No: _____

P.O./Contract No.: _____

The evidence compiled by a price analysis includes:

1. Developing and examining data from multiple sources whenever possible that proves or strongly suggests the proposed price is fair.
2. Determining when multiple data consistently indicate that a given price represents a good value for the money.
3. Documenting data sufficiently to convince a third party that the analyst's conclusions are valid.

The pricing quoted and listed on the attached summary is deemed to be fair and reasonable based on the following analysis, check all applicable:

_____ Comparison with competing suppliers' prices or catalog pricing for the same item(s). (Complete Bid Tabulation Sheet, Summary of Procurement or Comparison Matrix and attach supporting quotes or catalog pages.)

_____ Comparison of proposed pricing with in-house estimates for the same items. (Attach signed in-house estimate and explain factors influencing any differences found. Complete summary matrix.)

_____ Comparison of proposed pricing with historical pricing from previous purchase of the same item, coupled with market data such as the Producers Price Index or Inflation Rate over the corresponding time period. (Attach data and historical price record.)

_____ Analysis of price components against current published standards, such as labor rates, dollars per pound, etc. to justify the price reasonableness of whole. (Attach analysis to support conclusion drawn.)

Prepared by: _____

Title: _____

**ARCHITECTURAL AND ENGINEERING
SERVICES CONTRACTS
(BROOKS METHOD)**

I. PURPOSE

This procedure sets forth policies and instructions for the acquisition, administration, and termination of contracts for A & E services by Metra, regardless of the funding mechanism.

II. POLICY:GENERAL:

A & E services are acquired by Metra using the "Brooks" procurement method regardless of the funding mechanism. The Brooks procurement method is based on the award of contracts for services such as A & E services using a qualifications-based procurement analysis. Price is not a factor in determining the most qualified Offeror. Instead, each Offeror's qualifications are evaluated and the most qualified Offeror is selected subject to the negotiation of fair and reasonable compensation.

Proposals will be evaluated, negotiated, selected and any award shall be made in accordance with the criteria and procedures described below. The approach and procedures are those which are applicable to a competitive negotiated procurement whereby proposals are evaluated to determine which proposals are within a competitive range. Discussions and negotiations may then be carried out with Offerors within the competitive range. The Offeror selected will be the Offeror whose proposal is found to be most advantageous to Metra, based upon consideration of the Evaluation Criteria.

Metra personnel will maintain ethical standards in their professional activities. Metra personnel must avoid personal and organizational conflict-of-interest situations and avoid the appearance of such situations. Metra personnel are required to be familiar with Metra's ethics policies and all circumstances and persons covered by any type of conflict-of-interest situation.

Any proprietary information, methodology, or application that is contained in a proposal shall remain strictly confidential, will be screened for distribution only to those Metra personnel who require it for work directly connected with the project, and will not be distributed to persons not relevant to the project and not within reporting hierarchies at Metra which are relevant to the project. The confidentiality extends to the cost/profit figures contained in the proposals and the process of negotiations.

NARRATIVE DESCRIPTION OF PROCESS:

The process for a particular award of an Architectural & Engineering (A & E) services contract will be described in the respective Request for Proposals ("RFP") prepared by the

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**ARCHITECTURAL AND ENGINEERING
SERVICES CONTRACTS
(BROOKS METHOD)**

The Professional Services/ Contracts Division, with the assistance of the Requisitioner/User, shall coordinate further discussions with the identified highest ranking Offerors, including the scheduling of a pre-award interview to clarify any final matters. The Professional Services/ Contracts Division shall also obtain such other information, other than cost information, necessary to evaluate the identified highest ranking Offerors and their respective proposals.

Upon obtaining the foregoing information, the Evaluation Committee shall re-evaluate the identified highest ranking Offerors, first individually by each member then collectively as a group, to determine the Offeror whose proposal will be most advantageous to Metra based on the Evaluation Criteria. Except in the case of Blanket RFPs, cost details from such highest ranking Offeror will be obtained on a RC4400 form after the evaluation process. For Blanket RFPs, a schedule of positions with the range of hourly rates including overhead and burden and any other costs to be determined will be obtained on RC4400 form from the highest ranking Offeror after the evaluation process. The Professional Services/ Contracts Division shall complete the Price Analysis Documentation and forward such documentation, together with all other information received with respect to the subject Offeror to the Evaluation Committee. The Professional Services/ Contracts Division shall continue to negotiate with such selected Offeror to determine the compensation that is fair and reasonable, taking into account the scope, complexity, and professional nature of the services. The Professional Services/ Contracts Division will also perform a Cost Analysis of such Offeror's proposal before entering into a contract in order to measure the cost reasonableness of the subject proposal.

Contracts with respect to a given RFP will be generally awarded on a maximum compensation basis, and will reflect a specified maximum amount, payment schedule, and method of payment. Advance payments prior to the incurrence of costs by the Offeror are prohibited. If no contract can be concluded with the highest ranking Offeror, negotiations will be formally terminated with that Offeror and new negotiations will be undertaken with the second highest ranking Offeror (and so on). Upon completion of the foregoing negotiations, the Professional Services/ Contracts Division shall prepare, and have internally approved, a contract to be executed by the selected Offeror. No contract shall exceed five (5) years including options, if any. No portion of the work to be performed by Consultant pursuant to a contract may be assigned to a subcontractor unless explicitly approved in advance by the Requisitioner/User. When a subcontractor is permitted to be utilized by the selected Consultant by the Requisitioner/User, and as a condition of such permission, the Consultant/subcontractor must submit: (a) the required cost details to the Professional Services/ Contracts Division using the RC4400 form; and (b) all such other information necessary to enable an understanding of the basis of the subcontract

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42. Written Record of Procurement History

Basic Requirement: Chapter III, Section 3.d (1) of FTA C 4220.1F requires that grantees maintain records detailing the history of each purchase. At a minimum, the following must be included in the procurement files:

- The rationale for the method of procurement;
- Selection of contract type;
- Reasons for contractor selection or rejection;
- The basis for contract price.

This requirement applies to all procurements except micro-purchases.

Discussion: Of the fifty-four (54) procurements reviewed, fourteen (14) were found to be deficient. In general, there is a lack of file organization at Metra and minimal documentation on procurement planning activities. In the fourteen (14) procurement files found to be deficient, the reviewing contractor was unable to determine the reason for the contractor selection or the basis for the contract price.

Best Practices: The Best Practices Manual states “a properly documented procurement file provides an audit trail from the initiation of the requirement to the beginning of the contract.” In addition, a well-documented file can be interpreted on its own, without any assistance or additional information. Other agencies use periodic internal audits of the files and the use of checklists to ensure compliance. The grantee could modify its Purchase Summary to list the required elements of the Circular, such as the solicitation method and contract type (sealed bid-fixed price, competitive proposal-fixed price, competitive proposal-time and materials, or sole source).

The grantee should initiate a method of central tracking of their procurement activity. A policy describing the need for important file documentation to be captured in purchasing files should be established. Training should be provided to all personnel involved in the procurement process to ensure that proper procedures are being followed. In addition, the use of checklists would facilitate this process. The Best Practices Procurement Manual recommends the following procurement file documentation where appropriate:

- Purchase request, acquisition planning information and other pre-solicitation documents
- Evidence of availability of funds
- Rationale for the method of procurement (negotiations, formal advertising)
- List of sources solicited
- Independent cost estimate
- State of work/scope of services
- Copies of published notices of proposed contract action
- Copy of the solicitation, all addenda and all amendments
- Liquidated damages determination
- An abstract of each offer or quote
- Contractor's contingent fee representation and other certifications and representations
- Contracting Officer's determination of contractor responsiveness and responsibility

- Cost or pricing data
- Determination that price is fair and reasonable including an analysis of the cost and price data
- Required internal approvals for award
- Notice of award
- Notice to unsuccessful quoters or offerors and record of any debriefing
- Record of any protest
- Bid, Performance, Payment or other bond documents and notices to sureties
- Required insurance documents, if any, and
- Notice to proceed

See Appendix J for examples of file checklists to be made for different contracting methods and change orders.

Corrective Action: Metra must respond within thirty (30) days from the date of the final report and provide detailed procedures, evidence of adequate training and evidence of independent audits confirming that procedures are being followed consistently.

Metra's Response: Of the fifty-four procurements reviewed, fourteen (14) were found to be deficient. In general, there is a lack of file organization at Metra and minimal documentation on procurement planning activities. In the fourteen (14) procurement files found to be deficient, the reviewer was unable to determine the reason for the contractor selection or the basis for the contract price.

Metra's course of action is as follows:

A "Contract/Purchase Order File Content Check List Form for Contracts/Po's Over \$10,000.00" is in the file for all contracts solicited and awarded using the IFB or the RFP process. The checklist consists of Date, Initials (Buyer), and Activity of the following:

Pre-Award Activity

1. Requested Independent Cost Estimate of Contract/Purchase Order Valuation
2. Received Independent Cost Estimate of Contract/Purchase Order Valuation
3. Copy of Requisition
4. Invitation for Bids Memorandum with Pre-bid summary
5. Certified Copy of Invitation for Bids
6. Internal Request for Quotation Checklist to Appropriate Using Department
7. Addenda and/or other External Correspondence/Internal Memoranda
8. Applicable Exhibits Included
9. Bid/Proposal Tabulation, Blue Copy of P.O. or Original Contract
10. Received Evaluation Form IFB/RFP Evaluation Loner and Supportive Selection Documentation sent to/from Using Department
11. Internal/External Letters/Memoranda, i.e. DBE Correspondence, Short List, Insurance
12. Protest Notification Forward to Grants Department (If Applicable)
13. Protest Resolution Forward to Grants Department (If Applicable)
14. 4400 Form for A & E/Professional Services Contract
15. Price/Cost Analysis (When Required)

Post Award Activity

1. Performance Labor Material Bond (Construction Only)
2. Notice to Proceed/Vendor Acknowledgment
3. Contracts Completion Form
4. Contract/P.O. Complete/100% Received

The file also has a list of vendors solicited for an IFB or RFP. The requisition is reviewed by Metra's Grants Department to assure that funds are available prior to processing the IFB or RFP solicitation.

Additionally, see the attached instructions for the Organization of Contract File Folders, Operating Files and Purchase Orders (Capital and Operating). This process is in place and being used by the appropriate staff.

Reviewing Contractor's Response: Metra's response is not adequate because it does not address the deficiency. For example, the proposed checklist did not include the required determination of the procurement method and the contract type in Pre-Award activities. Copies of revised procedures and processes, copies of proposed checklists by procurement method, evidence of training, and independent audit reports validating the use of compliant procedures must be provided to FTA within 30 days of the date of the final report.

MKFF 2-2005

RY 203620

2. DATE 04/28/09
4. BUYER

1. PROCUREMENT NO./SALE NO.
3. DELIVERY/PICK-UP REQUIRED BY

REQUISITION
USE TYPEWRITER OR BALLPOINT.
IF BALLPOINT IS USED, PRESS FIRMLY.

03-29-09

6. LOCATION:
 2067 W. 123rd St. (01)
Attn: Storekeeper
Blue Island, IL 60406
 2741 W. Grand Ave. (02)
Attn: Storekeeper
Chicago, IL 60612
 14th St. East of Indiana (03)
Attn: Storekeeper
Chicago, IL 60605
 127th & Indiana Ave. (05)
Attn: Storekeeper
Chicago, IL 60628
 547 W. Jackson Blvd. (06)
Attn: Admin. Services
12 Floor East
Chicago, IL 60661
Other J.L. Lorenzen
547 W. Jackson
Chicago, IL

5. CHECK ALL APPLICABLE:
 STANDARD PURCHASE (P)
 SOLE SOURCE (S)
 CAPITAL FUNDED (U)
 PROFESSIONAL SERVICES (E)
 REPAIR & RETURN (R)
 UNIT EXCHANGE (X)
 CONSTRUCTION (C)
 MASTER AGREEMENT (M)
 WARRANTY (W)
 BLANKET PURCHASE ORDER (B)
BPO/BSO TYPE = - STOCK - NON-STOCK
BPO/BSO EFFECTIVE DATE ---/---/---
ESTIMATED NO. RELEASES ---
NO. RELEASING SITES ---
10. FINAL INSPECTION DEPARTMENT
ENGINEERING

9. EMERGENCY REQUISITION APPROVAL
11. SUGGESTED SOURCES (NAME, ADDRESS AND TELEPHONE NUMBER):

C. PREVIOUS P.O. #/S.O. #
K865802
15 AWARD

B.

A.

13. ITEM	[ORGANIZATION]	ACCOUNTING/DISTRIBUTION CODE [ACCT. DISTRIB. CODE]	[PROJECT #]	15. %	16. QTY.	17. U/M	18. METRA PART #	19. STATUS	20. DESCRIPTION	21. EST. UNIT PRICE	22. EXTENSION	23. LOC.
									CONTRACT PROFESSIONAL SERVICES FOR ENGINEERING DESIGN SERVICES FOR METRA ENGINEERING DEPT. MASTER RFP No. 2 PER ATTACHED SPECIFICATION No. 1494-09 dated APRIL 2009.			
1		AD - JUNE 09								100K	100K	
2		PRE-BID AT 1:00 P.M. 19TH FL - 9/23/09 MCHC								150K	150K	
3		QUEST. BY - JUNE 26 BY 4:00								150K	150K	
4		PEN - JUL 15, 09								100K	100K	
5		EP4360-57102005-4360								100K	100K	
6		ED-3952-57102005-3952								150K	150K	
7		EX-3947-57102005-3947								150K	150K	
8		EP-4394-57102005-4394								100K	100K	
9		EP-4394-57102005-4394								250K	250K	

24. REQUISITIONING DEPARTMENT: ENGINEERING

REQUISITIONER SIGNATURE: [Signature]

APPROVED (DEPT. MGR.): [Signature]

APPROVED DATE: 4/29/09

25. REQUISITION APPROVED: BUDGET CHECKED, AUTHORITY TO EXPEND FUNDS TO BE GRANTED BY: [Signature]

26. APPROVED FOR PROCESSING: [Signature]

DIRECTOR OF PROCUREMENT DATE: 5/14/09

OR DIRECTOR OF PROFESSIONAL SERVICES/CONTRACTS

27. ESTIMATED TOTALS: \$1,750,000

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ARCHITECTURAL AND ENGINEERING SERVICES CONTRACTS (BROOKS METHOD)

I. PURPOSE

This procedure sets forth policies and instructions for acquiring, administering, and terminating contracts for Architectural & Engineering services by Metra, regardless of the funding mechanism.

II. POLICY

Architectural & Engineering services are acquired by Metra using the "Brooks" procurement method regardless of the funding mechanism. The Brooks procurement method is based on the award of contracts for services such as architectural and engineering skills using a qualifications-based procurement analysis. Price is not a factor in determining the most qualified Offeror. Instead, Offerors' qualifications are evaluated and the most qualified Offeror is selected subject to the negotiation of fair and reasonable compensation.

Proposals will be solicited in a newspaper of general circulation and from Metra's vendor database of potential firms through direct mailings. No dollar value of any project will be directly or indirectly solicited in the initial Request for Proposals.

Requisitioner/User must mutually agree with DBE Administration on DBE requirements prior to involving the Professional Services/Contracts Division.

The process for an award of an Architectural & Engineering services contract will be described in the Request for Proposals (RFP). The RFP will include a clear and accurate description of the technical requirements of the Architectural & Engineering services to be acquired and a statement of work. The evaluation criteria, their relative value, and all other considerations to be used in making the award of an Architectural and Engineering services contract will be determined prior to solicitations. A list of criteria with their relative importance will be included in the RFP.

The evaluation of the proposals will be performed by a designated group that is specific for the solicitation. Any proposal which does not demonstrate the experience, expertise, and other factors necessary to assure achievement of the contract objectives may be eliminated from further consideration.

Contracts will be generally awarded on a maximum compensation basis. The contract will reflect a specified maximum amount, payment schedule, and method of payment. Advance payments prior to the incurrence of costs by the consultant is prohibited. The contract should not exceed five years including options, if any.

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6. Four (4) Special Blanket Engineering Services
 RFP No. 41203
 Working Committee

RATE EACH PROPOSER IN THE CATEGORIES LISTED BELOW USING THE FOLLOWING RATING SCALE:

(1) = Poor
 (3) = Average
 (5) = Exceptional

Evaluator: _____
 Date of Evaluation: 8-5-09

FIRM	Recognition of Problems and Objectives	Proposer Approach Plan and Time Schedule	Firms Previous Experience	Project Team's Ability and Experience	Total Points	Rank
Gandhi and Associates	1	1	1	1	4	4
HNTB	3	3	3	5	14	2
LTK Engineering	5	5	5	5	20	1
PB Americas, Inc.	5	5	5	5	20	1
Stantec Consulting	3	3	3	3	12	3
Xorail, Inc.	3	3	3	3	12	3

ED REMUS ACTED AS CONTRACTING AGENT
 Edward H. Remmus

WPK Kaminski
 WILLIAM R. KAMINSKI
 GEORGE GONNARIS
 TERRY PELKOLA

Memorandum

September 3, 2009

To: P.A. Pagano
Executive Director

From: Frederick E. Smalarz, Senior Director
Materials Management 

Subject: **Professional Services Contracts for Engineering Services
Recommendations for Metra Master RFP No. 41203**

Date Let: June 5, 2009

Date Received: July 15, 2009

Funding Source: Capital

Background and Work Scope:

In June of this year, Metra published Master RFP No. 41203 which encompasses many disciplines and numerous projects. Included in the RFP are Design of CREATE Project P-1, Mechanical/Electrical Engineering Services, Civil/Structural Services, Signal Engineering Services, Project Administration Services, Station and Parking Lot Design Engineering Services, and Communications Engineering Services. Up to 15 contracts will be awarded as a result of this Master RFP. This specific recommendation is for Signal Engineering Services.

Due to the complexity and large number of projects included in Master RFP No. 41203, a twofold process that consisted of an Executive Committee and a Working Committee was established to evaluate the proposals received. The Executive Committee consisted of the following three (3) individuals: Bill Tupper, Joe Lorenzini, and Paul Kisielius. The Working Committee consisted of individuals directly involved with the respective projects.

Proposals Received:

A total of 117 proposals were received in response for the above disciplines and projects. The proposals were evaluated utilizing formal guidelines established by Metra for selection of professional services.

The Working Committee members initially reviewed all the proposals submitted within their respective groups for technical responsiveness and responsibility and used a uniform, pre-determined scoring process to evaluate and score the proposals. After review, the Working Committee prepared a consensus ranking of the firms that was then forwarded to the Executive Committee. The Executive Committee reviewed the Working Committee's consensus rankings and determined the number of firms to be short listed.

Proposal Evaluation Process:

The evaluations were based on the following: 1) Recognition of Problems and Objectives, 2) Approach, Plan, and Time Schedule, 3) Firm's Previous Experience, and, 4) Project Teams Ability and Expertise.

Recommendation and Justification:

A total of 4 contracts are being recommended for your approval. A total of 6 proposals were received in response for Engineering Signal Services. A total of 5 firms were short-listed and members of the Executive Committee and Professional Services staff conducted interviews. After interviews, the Committee ranked the firms. The Committee's consensus scores are as follows: LTK Engineering Services, 20 pts.; PB Americas, Inc., 20 pts.; HNTB Corp., 20 pts.; Xorail, Inc., 18 pts. and Stantec Consulting, 16 pts.

Based upon the process outlined above, the Executive Committee recommends the award of 4 professional services contracts as follows:

<u>Firm</u>	<u>Work Assignment</u>	<u>Contract Amount</u>
LTK Engineering - Also Interviewed HNTB PB Americas, Inc. Stantec Consulting Xorail, Inc.	Signal Services Blanket (Principal task: Positive Train Control Compliance Plan)	\$ 750,000
PB Americas, Inc. - Also Interviewed HNTB Stantec Consulting Xorail, Inc. LTK Engineering	Signal Services Blanket (Principal tasks: CREATE P-1 and B-12 Interlocker)	\$ 750,000
HNTB Inc. - Also Interviewed PB Americas, Inc. Stantec Consulting Xorail, Inc. LTK Engineering	Signal Services Blanket (Principal task: Ped Crossings & CCF)	\$ 600,000
Xorail Inc. - Also Interviewed HNTB PB Americas, Inc. Stantec Consulting LTK Engineering	Signal Services Blanket (Principal task: Milw Dist. A-5 Interlocker)	\$ 500,000

Your formal approval to proceed is requested.



APPROVED

Memorandum

Date: September 4, 2009

To: Board of Directors

From: Philip A. Pagano
Executive Director 

Subject: **Contract Award Recommendations for Engineering Services**
Metra Master RFP No. 41203

Earlier this year, Metra published Master RFP No. 41203 which encompasses many disciplines and numerous projects. Included in the RFP are Design of CREATE Project P-1, Mechanical/Electrical Engineering Services, Civil/Structural Services, Signal Engineering Services, Project Administration Services, Station and Parking Lot Design Engineering Services, and Communications Engineering Services. Up to 15 contracts will be awarded as a result of this Master RFP; however, this recommendation covers Signal Engineering Services.

Due to the complexity and large number of projects included in Master RFP No. 41203, a twofold process that consisted of an Executive Committee and a Working Committee was established to evaluate the proposals received. The Executive Committee consisted of the following three (3) individuals: Bill Tupper, Joe Lorenzini, and Paul Kisielius. The Working Committee consisted of individuals directly involved with the respective projects.

A total of 6 proposals were received in response for the Signal Engineering Services. **The proposals were evaluated utilizing formal established Metra guidelines for selection of professional services.**

The Working Committee members initially **reviewed all the proposals submitted within their respective groups for technical responsiveness and responsibility and used a uniform, pre-determined scoring process to evaluate and score the proposals.** After review, the Working Committee prepared a consensus ranking of the firms that was then forwarded to the Executive Committee. The Executive Committee reviewed the Working Committee's consensus rankings and determined the number of firms to be short listed for interviews.

Recommendation

A total of 5 firms were short-listed and interviewed by members of the Executive Committee, and a representative from the Professional Services Division. After conducting interviews, the Committee ranked the firms. The Committee's consensus scores are as follows: LTK Engineering Services, 20 pts.; PB Americas, Inc., 20 pts.; HNTB Corp., 20 pts.; Xorail, Inc., 18 pts. and Stantec Consulting, 16 pts.

Based upon the process outlined above, the Executive Committee recommends the award of 4 professional services contracts as follows:

Firm	Work Assignment	Contract Amount
LTK Engineering	Signal Blanket	\$ 750,000
PB Americas, Inc.	Signal Blanket	\$ 750,000
HNTB Corp.	Signal Blanket	\$ 600,000
Xorail, Inc.	Signal Blanket	\$ 500,000

Engineering Department's Process For
Awarding A&E Contracts

(May 31, 2011)

The Engineering Department issues multiple consulting engineering contracts every year. These are professional service contracts and the firms are selected based on the Brooks Method. These contracts fall into two types: (1) single-task A&E projects, and (2) blanket A&E contracts.

1. **Contract Identification Process:** Separate single-task and blanket A&E contracts are issued for various disciplines of the A&E field. Metra generally issues blanket contracts for signal design engineering, mechanical/electrical design engineering, civil/structural design engineering, station and parking lot design engineering, and finally, construction management inspection services. These contracts are put in place to be used as tasks arise during the term of the blanket contract.
 - 1.1. **Single-Task Contract Identification Process. [Joe L. to review and supplement]** Based on the capital program for the upcoming year, the appropriate in-house technical expert determines the types of contracts required for the work to be performed and the amount of each contract to be awarded. Next, a request for proposal (“RFP”) is crafted. The RFP contains information on the type of contract to be awarded. The RFP also contains specific information about the project or type of work to be performed under the contract.
 - 1.2. **Blanket Contract Identification Process.** The first step in awarding blanket contracts is to determine the types and number of contracts needed for the upcoming year. Based on the capital program for the upcoming year, the appropriate in-house technical expert determines the number of contracts, and the types of contracts needed and the amount of each contract to be awarded. Next a request for proposal (“RFP”) is crafted. The RFP contains information on which type and the number of contracts to be awarded. The RFP also contains specific information about the projects or type of work to be performed under the contracts.
2. **Selection process for Single-Task and Blanket Contracts.**
 - 2.1. **Evaluation of Proposals and Scoring (same for both single task and blankets).** Once proposals are received, a team of Metra employees review and score each of the proposals. Once the reviewers have completed their independent review, a meeting is held with all of the reviewers and this meeting is conducted by the Materials Management Department. At this meeting, the reviewers discuss each reviewer's score and come to a consensus agreement on a single score for each of the proposals. The next step is to interview the proposers with the highest scores. Generally, at least the three highest proposers are interviewed, and in some cases more than three may be interviewed. Thereafter, the interviews are held and attended by the same evaluation team. Again, each of the evaluators scores the interviews independently, and then a joint

meeting is conducted by the Materials Management Department to come to a consensus score. Metra then enters into price negotiations with the highest rated proposer.

2.2. Price Negotiations for Single-Task Contracts. Three main components comprise the price negotiations with the highest ranked proposer. The first component is the overhead rate. Metra requests a provisional overhead rate from the firm, generally based on the Illinois Department of Transportation's ("IDOT's") audited rate for the prior year by. The second component is the hourly rates. These rates are reviewed and analyzed as to their reasonableness for each position to be used for the project. The final component is negotiating the number of hours needed to perform the work. These hours are reviewed by the appropriate in-house technical expert as to their reasonableness for the level of effort needed to perform the project. The aforementioned steps are followed before a contract is awarded. Of course, pursuant to the Brooks Method, if Metra does not reach a negotiated agreed upon price with the highest ranked proposer, that proposer is dismissed. Metra then initiates price negotiations with the second ranked proposer.

2.3. Price Negotiations for Blanket Contracts. Price negotiations for the award of blanket contracts utilize the same three components listed above for single-task contracts, but the process is slightly different. When the contract is negotiated, the overhead rate and hourly rates are negotiated in the same manner as a single-task contract before the contract is awarded. However, the number of hours are not determined or reviewed until a task order is assigned. This is because a blanket contract is used on an "as-needed" basis, and, therefore, the hours cannot be reviewed until a task is identified and assigned. At that point, the Engineering Department reviews the hours needed to perform an assigned task and negotiates a final number of hours with the A&E firm that has the blanket contract.

SIGNAL PTC SUMMARY SHEET

DISTRICT	MATERIAL		DESIGN		SHOP WIRING		INSTALLATION		TESTING		VERIFICATION		DISTRICT TOTAL DOLLARS	DISTRICT TOTAL MAN/ HOURS
	DOLLARS	MAN/ HOURS	DOLLARS	MAN/ HOURS	DOLLARS	HOURS	DOLLARS	MAN/ HOURS	DOLLARS	MAN/ HOURS	DOLLARS	MAN/ HOURS		
1 MED - UNIVERSITY PARK	\$ 4,033,445	8,240	\$ 1,483,200	8,240	\$ 1,302,912	18,096	\$ 2,108,160	29,280	\$293,376	3,056	\$800,256	8,336	\$ 10,021,349	67,008
2 MED - SOUTH CHICAGO	\$ 306,510	1,180	\$ 214,200	1,180	\$ 293,760	4,080	\$ 293,760	4,080	\$52,224	544	\$182,784	1,904	\$ 1,343,238	11,798
3 MED - BLUE ISLAND	\$ 150,750	450	\$ 81,000	450	\$ 155,520	2,160	\$ 155,520	2,160	\$27,648	288	\$96,768	1,008	\$ 667,206	6,066
4 RID - ROCK ISLAND	\$ 2,020,300	9,380	\$ 1,688,400	9,380	\$ 315,648	4,384	\$ 838,080	11,640	\$219,648	2,288	\$580,608	6,048	\$ 5,662,684	33,740
5 RID - BEVERLY	\$ 1,287,925	4,240	\$ 763,200	4,240	\$ 417,024	5,792	\$ 768,960	10,680	\$82,160	960	\$107,520	1,120	\$ 3,416,789	22,792
6 SOUTHWEST SERVICE	\$ 658,430	2,420	\$ 435,600	2,420	\$ 51,840	720	\$ 319,680	4,440	\$102,912	1,072	\$333,312	3,472	\$ 1,901,774	12,124
7 MD - WEST	\$ 1,286,540	3,730	\$ 671,400	3,730	\$ 342,144	4,752	\$ 779,328	10,824	\$210,432	2,192	\$451,584	4,704	\$ 3,741,428	26,202
8 MD - NORTH	\$ 2,206,775	6,650	\$ 1,197,000	6,650	\$ 1,096,704	15,232	\$ 1,494,720	20,760	\$186,144	2,064	\$397,824	4,144	\$ 6,591,167	48,850
9 MD - FOX LAKE	\$ 405,900	1,570	\$ 282,600	1,570	\$ 261,504	3,632	\$ 293,760	4,080	\$53,760	560	\$161,280	1,680	\$ 1,458,804	11,522
TOTAL													\$ 34,804,439	240,102

METRA FIELD SUPERVISION (8% OF TOTAL)	\$ 2,784,355
CM FIELD SUPPORT (10% OF TOTAL)	\$ 3,480,444
VEHICLE/CONSTRUCTION EQUIP. (2% OF TOTAL)	\$ 696,089
METRA ENGINEERING (5% OF TOTAL)	\$ 1,740,222
CONTINGENCIES (20% TOTAL)	\$ 6,960,888

COLUMN TOTAL DOLLARS	\$ 12,338,575	\$ 6,816,800	\$ 4,237,056	\$ 7,051,968	\$1,250,304	\$3,111,936	\$ 80,466,437
COLUMN TOTAL MAN/ HOURS		37,870	58,848	97,944	13,024	32,416	240,102

Memorandum

DATE: October 20, 2009
TO: File
FROM: A. B. Darin, Department Head *ABD*
Materials
SUBJECT: CONTRACT No. K91240 - Task No. 1
SIGNAL ENGINEERING SERVICES

Estimate of Cost:

Assume: Average hourly rate for all engineering disciplines of \$60.00 per hour.
Average Overhead Burden Rate of 162.28%.

Direct Labor Costs	4335 hrs. x \$60.00/hr.	\$ 260,100.00
Overhead Burden	Direct Labor x 162.28%	\$ 422,090.28
Fee 10%	(Direct Labor + Overhead Burden) x 10%	\$ 68219.03

TOTAL ESTIMATED COST**\$750,409.31**

AGREEMENT

FOR PROFESSIONAL AND CONSULTING SERVICES
BLANKET CONTRACTS

This Agreement is entered into this _____ day of _____, _____ in Chicago, Illinois, by and between the Northeast Illinois Regional Commuter Railroad Corporation d/b/a Metra, Metropolitan Rail ("Metra"), a public corporation under Illinois law, and _____ ("Consultant"), having offices located at _____. Consultant and Metra are sometimes collectively referred to as "Parties." In consideration of the promises and agreements set forth, the Parties agree:

1. SCOPE AND DESCRIPTION OF SERVICES.

Consultant will perform the following services ("Work"): _____

2. COMPENSATION.

The total amount of this blanket Agreement including all individual tasks, shall not exceed _____.

Once specific tasks have been assigned, Metra agrees to pay, and Consultant agrees to accept the prices stipulated on the cost or price schedule, which is attached as Exhibit 2. With respect to the overhead rate described on the attached schedule, Consultant will list the immediate prior year overhead rate. The immediate prior year rate will be a provisional rate until audited by and/or accepted by Metra. Consultant may apply the provisional rate until such time as Metra's Audit Department audits and/or accepts Consultant's actual individual yearly overhead rate as computed under the Illinois Department of Transportation guidelines for computation of overhead rates. Once Metra audits and /or accepts the provisional overhead rate, the actual overhead rate for each year will be applied to each year's respective billings. Payments made using the provisional overhead rate will be subject to change and adjusted to conform with the audited and/or accepted overhead rate for each year. **Consultant shall be paid only for the actual Work performed at the prescribed rates during the preceding billing period, not to exceed the percentage of the Work completed as of the end of the billing period. The full payment for each task shall not exceed the total price as stated in the applicable Metra Form 4400 for that particular task(s) assigned ("Total Price").** The Metra Form 4400, agreed to by Metra and submitted by Consultant in response to Metra's request for a specific task, and the subsequent Notice to Proceed (defined below), are incorporated into this Agreement by reference. **The Total Price also includes the cost of all applicable taxes (where Metra is not exempt), bonds, if required, and other charges of every kind and nature.** The Total Price shall not include, and Metra shall not pay, taxes or fees from which Metra is exempt. Metra is exempt from various federal taxes, all state and unit of local government taxes, and registration and license fees. Consultant shall promptly notify Metra, and afford it the opportunity, before payment of any taxes, to contest said claims in the manner and to the extent it may elect, and to settle or satisfy such claims.

Consultant shall submit all invoices on Metra Form #B100R107, which is incorporated into and made a part of this Agreement, along with all appropriate support documents, for all amounts to be paid by Metra under this Agreement. Invoices must be addressed to the "Accounts Payable Section" for payment and must show Metra Contract No. _____. Metra will pay complete and accurate invoices within thirty (30) days of receipt. If Consultant fails to follow the instructions under this paragraph, or any instructions subsequently issued for its invoices, Metra may, at its sole discretion, reject Consultant's invoices for that billing period, and withhold payment of those invoices until such billing period as Consultant has complied with the requirements of this

AGREEMENT

FOR PROFESSIONAL AND CONSULTING SERVICES BLANKET CONTRACTS

This Agreement is entered into this 11TH day of NOVEMBER, 2009 in Chicago, Illinois, by and between the Northeast Illinois Regional Commuter Railroad Corporation d/b/a Metra, Metropolitan Rail ("Metra"), a public corporation under Illinois law, and LTK Engineering Services ("Consultant"), having offices located at 300 S. Wacker Drive, Suite 2840, Chicago, IL 60606. Consultant and Metra are sometimes collectively referred to as "Parties." In consideration of the promises and agreements set forth, the Parties agree:

1. SCOPE AND DESCRIPTION OF SERVICES.

Consultant will perform the following services ("Work"): Provide Blanket Professional Signal Design Engineering Services.

2. COMPENSATION.

The total amount of this blanket Agreement including all individual tasks, shall not exceed \$750,000.00.

Once specific tasks have been assigned, Metra agrees to pay, and Consultant agrees to accept the prices stipulated on the cost or price schedule, which is attached as Exhibit 2. With respect to the overhead rate described on the attached schedule, Consultant will list the immediate prior year overhead rate. The immediate prior year rate will be a provisional rate until audited by and/or accepted by Metra. Consultant may apply the provisional rate until such time as Metra's Audit Department audits and/or accepts Consultant's actual individual yearly overhead rate as computed under the Illinois Department of Transportation guidelines for computation of overhead rates. Once Metra audits and /or accepts the provisional overhead rate, the actual overhead rate for each year will be applied to each year's respective billings. Payments made using the provisional overhead rate will be subject to change and adjusted to conform with the audited and/or accepted overhead rate for each year. Consultant shall be paid only for the actual Work performed at the prescribed rates during the preceding billing period, not to exceed the percentage of the Work completed as of the end of the billing period. The full payment for each task shall not exceed the total price as stated in the applicable Metra Form 4400 for that particular task(s) assigned ("Total Price"). The Metra Form 4400, agreed to by Metra and submitted by Consultant in response to Metra's request for a specific task, and the subsequent Notice to Proceed (defined below), are incorporated into this Agreement by reference. The Total Price also includes the cost of all applicable taxes (where Metra is not exempt), bonds, if required, and other charges of every kind and nature. The Total Price shall not include, and Metra shall not pay, taxes or fees from which Metra is exempt. Metra is exempt from various federal taxes, all state and unit of local government taxes, and registration and license fees. Consultant shall promptly notify Metra, and afford it the opportunity, before payment of any taxes, to contest said claims in the manner and to the extent it may elect, and to settle or satisfy such claims.

Consultant shall submit all invoices on Metra Form #B100R107, which is incorporated into and made a part of this Agreement, along with all appropriate support documents, for all amounts to be paid by Metra

material breach of this Agreement.

H. ASSIGNMENT. Assignment or delegation of this Agreement by Consultant without the prior written approval of Metra is a material breach of this Agreement. This Agreement shall be binding on, and inure to the benefit of, the respective successors, assigns, heirs, and personal representatives of Metra and Consultant. Any successor to Consultant under this Agreement must be approved in writing by Metra, which approval Metra may grant or deny in its sole discretion. Any successor must agree to perform all terms, conditions, and requirements of this Agreement as a condition precedent to such succession.

4. DOCUMENTS FORMING THIS AGREEMENT.

All written information which Consultant has furnished to Metra in connection with Metra's request for proposals forms a part of this Agreement and the basis on which Metra has decided to award this Agreement to Consultant. Consultant hereby represents to Metra that all facts, plans, or promises contained therein, other than such as may be contradicted by or expressly superseded by Consultant's offer or last offer, are true, and Consultant acknowledges that Metra is entitled to rely thereon. This Agreement constitutes the entire Agreement between the Parties. All amendments to this Agreement must be in writing and executed by the authorized officers of each party. The Parties further agree that this Agreement consists of the following:

1. This contract document and each of the following documents attached hereto or incorporated by reference into this Agreement:
2. Exhibit 1 – Metra Request for Proposal No. 41203 including Addendum No. 1 dated July 2, 2009.
3. Exhibit 2 – Employee Compensation Schedule.
4. Exhibit 3 – Proposal from LTK Engineering Services dated July 15, 2009.
5. Exhibit 4 – Presentation Handout from LTK Engineering Services dated August 19, 2009.

5. TERMINATION.

Metra may terminate this Agreement at any time, with or without cause, by giving written notice to Consultant at the address specified above. Termination shall be effective upon receipt of such notice by Consultant through actual delivery in person, fax, or regular or certified mail.

A. CONVENIENCE. If Metra terminates this Agreement other than for breach by Consultant, Metra agrees to pay Consultant, and Consultant agrees to stop Work as stated in the notice and accept as its sole remedy, Consultant's unpaid costs expended to date of termination. After receipt of a notice of termination and except as otherwise directed by Metra, Consultant shall: (1) stop Work under this Agreement on the date and to the extent specified in the notice of termination; (2) place no further orders or subcontracts for materials, services, or facilities, except as may be necessary for

LTK Engineering Services

METRA - PTC
PTC Implementation Plan

Calendar Year 2009 Hourly Rate Schedule

Employee Name	Classification	2009 Direct Labor Rate
Bisset, Kendrick	Senior Systems Consultant	\$64.90
Carson, John	Systems Consultant	\$48.58
Chertock, Guy	Vehicle Consultant	\$33.66
Diaz, David	Senior Vehicle Consultant	\$84.18
Elliott, David	Senior Vehicle Consultant	\$75.46
Golucki, Mark	Systems Consultant	\$54.24
Jedynak, Zbigniew	CADD Technician	\$36.56
Johnson, Michael	Vehicle Consultant	\$38.68
McFadden, Daniel	Senior Vehicle Consultant	\$60.10
Novak, Paul	Senior Systems Consultant	\$63.72
Patel, Dilip	Senior Vehicle Consultant	\$67.84
Rhea, William	Senior Vehicle Consultant	\$72.12
Schultz, Robert	Senior Systems Consultant	\$62.46
Sergot, George	Senior Systems Consultant	\$49.40
Travis, Richard	Senior Systems Consultant	\$64.74
Weaver, Paul	Senior Systems Consultant	\$62.46

LTK Facilities Overhead Rate 160.55%

LTK Fixed Fee 10.00%

- LTK 2009 Hourly Rates listed above are for calendar year 2009 and are subject to escalation at the first pay period of each year following.
- Expenses are billed at cost, supported by receipts, with no additional mark up.

Lisa J. Larry, Inc.

**METRA - PTC
PTC Implementation Plan**

Calendar Year 2009 Hourly Rate Schedule

Employee Name	Classification	2009 Hourly Rate
Larry, Lisa	Sr. Systems Consultant	\$137.50

- Rate is fully burdened, inclusive of direct labor, overhead, and profit.
- Hourly Rates listed above are for calendar year 2009 and are subject to escalation at the first pay period of each year following.
- Expenses are billed at cost, supported by receipts, with no additional mark up.

Lisa J. Larry, Inc.
 PO Box 8553
 525 Jackpine St.
 Tahoe City, CA 96145-8553

Invoice

Date	Invoice #
9/29/2007	203

Bill To
LTK Engineering Services 300 South Wacker Dr., Suite 2840 Chicago, IL 60606 Attn: Paul Novak

P.O. No.	Terms	Project
	Net 30	Dearborn/Congress

Item	Description	Qty	Rate	Amount
Phase 2	Signal Engineering Support Services	34	137.50	4,675.00
Total				\$4,675.00
Credits				\$0.00

Balance Due \$4,675.00



THE KLAUDER GROUP
Fax Cover Sheet

LTK Engineering Services
Louis T. Klauder and Associates

100 West Butler Avenue
Ambler, PA 19002
Telephone: (215) 542-0700
Fax Number: (215) 542-7676

Number of Pages Sent: 13 (including this sheet)

To: Ed Lemus

Date: 9/30/09

Company: METRA

Reference: _____

Fax No. 312-322-6619

From: Cathy Shortt

Message:

*Per our discussion following our
overhead calculations as of 9/30/09.*

Date: 09/30/09
 Time: 7:52:45 AM
 Group Number: 1
 Sequence Number: 3
 Pool Number: 101

LTK Engineering Services
 STATEMENT OF INDIRECT EXPENSES
 Fiscal Year: 2009, Period: 8, Subperiod: 1
 LTK Facility Pool

Basic: DOLLAR
 Description: LTK Facility Labor

Account	Organization	Base Amount	Current Period		Budget Amount	Base Amount	Year To Date		Budget Amount
			Allocation Amount	Amount			Allocation Amount	Amount	
5100 Direct Labor	E.1.MI	28,775.71	51,611.42	0.00	0.00	336,067.81	539,575.42	0.00	
5100 Direct Labor	E.1.NE	25,820.09	46,364.77	0.00	0.00	290,169.27	465,882.78	0.00	
5100 Direct Labor	E.1.NH	4,717.51	8,471.17	0.00	0.00	17,281.70	27,746.72	0.00	
5100 Direct Labor	E.1.NY	16,067.63	28,852.42	0.00	0.00	104,434.28	167,675.00	0.00	
5100 Direct Labor	E.1.PA	447,264.96	803,147.44	0.00	0.00	4,064,521.87	6,525,814.26	0.00	
5100 Direct Labor	E.1.PT	61,359.21	145,916.03	0.00	0.00	709,280.03	1,130,788.22	0.00	
5100 Direct Labor	E.1.SE	22,398.94	40,221.46	0.00	0.00	247,819.51	397,887.91	0.00	
5100 Direct Labor	E.1.SF	19,465.85	34,954.55	0.00	0.00	141,786.58	227,649.34	0.00	
5999-10 Unallowable Direct Labor	E.1.MA	2,409.25	4,726.26	0.00	0.00	37,741.25	54,173.44	0.00	
5999-10 Unallowable Direct Labor	E.1.NE	0.00	0.00	0.00	0.00	190.29	318.37	0.00	
5999-10 Unallowable Direct Labor	E.1.KH	0.00	0.00	0.00	0.00	243.74	391.34	0.00	
5999-10 Unallowable Direct Labor	E.1.WY	0.00	0.00	0.00	0.00	336.00	539.41	0.00	
5999-10 Unallowable Direct Labor	E.1.PA	709.32	1,273.72	0.00	0.00	17,852.98	28,663.95	0.00	
5999-10 Unallowable Direct Labor	E.1.PT	0.00	0.00	0.00	0.00	1,433.57	2,301.68	0.00	
5999-10 Unallowable Direct Labor	E.1.SE	275.40	494.53	0.00	0.00	898.70	1,442.91	0.00	
Total Pool Base:		837,470.09	1,503,833.34	0.00	0.00	7,778,641.26	12,489,359.12	0.00	

RATE: 179.568603%
 UNABSORBED: 0.00

160.555521%
 0.03

CHECK LIST – IFB’s

Applicable items should be entered in chronological order. Documents maintained in the file will be filed consecutively in each section with the highest number on top. When an item is not applicable, it will be designated with “NA” in the Tab column.

IFB No. _____		
Section A SOLICITATION DOCUMENTS		
Tab No.	Document(s)	Audited By
1.	Purchase Requisition	
2.	Specifications	
3.	DBE Goals	
4.	Requirement Justification – Contract/PO Term Does Not Extend Past 5 Years	
5.	Independent Cost Estimate	
6.	Bidder's List	
7.	Justification of Procurement Method	
8.	Copy of IFB	
9.	Proof of Publication	
10.	IFB Attachments/ Modifications	
11.	Pre-bid Minutes & List of Attendees	
12.	Correspondence with Bidders	
13.	Protests Prior to Bid Opening	
14.	Interoffice Correspondence	
15.	Review for Responsiveness (On Bid Tabulation)	

Contract No.: _____

Contract Administrator: _____

Date: _____

CHECK LIST – IFB’s

Applicable items should be entered in chronological order. Documents maintained in the file will be filed consecutively in each section with the highest number on top. When an item is not applicable, it will be designated with “NA” in the Tab column.

	IFB No. _____ Section B AWARD DOCUMENTS	
Tab No.	Document(s)	Audited By
1.	Copy of Each Bid	
2.	Letters of Returned Late Bids or Bid Errors	
3.	Bid Analysis/Tabulation Sheet	
4.	Technical Evaluation/Award Recommendation	
5.	Affirmative Action Evaluation/DBE Goal Exhibit Schedules	
6.	Bidder Responsibility Determination	
7.	Price Analysis	
8.	Record of Negotiation for Single Bid (If Applicable)	
9.	Justification of Contract Type Blanket P.O./Sole Source, etc.	
10.	Notice of Award	
11.	Notice to Unsuccessful Bidders (Bond, Check Returns) (If Applicable)	
12.	Legal Review of Contract Documents (Copy of Routing Slip)	
13.	Contract Document (Drawings not Required)	
14.	Performance/Material Bonds, Insurance Certificates (If Applicable)	
15.	Notice to Proceed (If Applicable)	
16.	Purchase Order (If Applicable)	

Contract No.: _____

Contract Administrator: _____

Date: _____

CHECK LIST - IFB's

Applicable items should be entered in chronological order. Documents maintained in the file will be filed consecutively in each section with the highest number on top. When an item is not applicable, it will be designated with "NA" in the Tab column.

IFB No. _____ Section C CONTRACT ADMINISTRATION DOCUMENTS		
Tab No.	Document(s)	Audited By
1.	Post Award Conference (If Applicable)	
2.	Status Reports (If Applicable)	
3.	Change Notices/Modification/Change Orders	
4.	Site Visit Reports (If Applicable)	
5.	Progress Meeting Minutes (If Applicable)	
6.	Quality Assurance Records (If Applicable)	
7.	Termination/Stop Work Notices or Resolution Plan (If Applicable)	
8.	Notice of Claims (If Applicable)	
9.	Release of Claims/Bonds (If Applicable)	
10.	Assignments (If Applicable)	
11.	Audit Reports (If Applicable)	
12.	Punch List Discrepancies	
13.	Liquidated Damages (If Applicable)	
14.	Close Out Documents (If Applicable)	

Contract No.: _____

Contract Administrator: _____

Date: _____

CHECK LIST – RFP’S

Applicable items should be entered in chronological order. Documents maintained in the file will be filed consecutively in each section with the highest number on top. When an item is not applicable, it will be designated with “NA” in the Tab column.

	RFP No. _____ Section A SOLICITATION DOCUMENTS	
Tab No.	Document(s)	Audited By
1.	Purchase Requisition	
2.	Rationale for Method of Procurement:	
3.	Specifications/Statement of Work	
4.	Justification for Procurement	
5.	Term of Contract Does Not Exceed 5 Years.	
6.	Cost Estimate	
7.	Set Aside Decision/DBE Goal	
8.	Justification of Procurement Method	
9.	List of Prospective Proposers	
10.	Proof of Publication	
11.	Copy of RFP	
12.	Addenda	
13.	Pre-proposal Minutes & List of Attendees	
14.	Correspondence with Bidders	
15.	Interoffice Correspondence	
16.	Review of Responsiveness (On Bid Tabulation)	

Contract No.: _____

Contract Administrator: _____

Date: _____

CHECK LIST – RFP’S

Applicable items should be entered in chronological order. Documents maintained in the file will be filed consecutively in each section with the highest number on top. When an item is not applicable, it will be designated with “NA” in the Tab column.

RFP No. _____ Section B AWARD DOCUMENTS		
Tab No.	Document(s)	Audited By
1.	Copy of Each Proposal (In Storage)	
2.	Proposal Tabulation Sheet	
3.	Evaluation Team Certification Forms	
4.	Evaluation Sheet/Matrix	
5.	Determination of Competitive Range	
6.	Invitation of Oral Interviews/Presentations	
7.	Notice of Rejection	
8.	Minutes of Discussions	
9.	Correspondence with Proposers	
10.	Cost or Price Analysis	
11.	Justification for Contract Type	
12.	Negotiation Memorandum	
13.	Copy of Each Best and Final Offer (If Applicable)	
14.	Award Recommendation Memorandum	
15.	Board Consent	
16.	Legal Review of Contract Documents (Routing Slip)	
17.	Notice of Award	
18.	Notice to Unsuccessful Proposers	
19.	Procurement Summary	
20.	Bonds (If Applicable)	
21.	Certification of Insurance	
22.	Contract Document (Drawings not Required)	
23.	Notice to Proceed	
24.	Contract/Purchase Order	

Contract No.: _____

Contract Administrator: _____

Date: _____

CHECK LIST – RFP’S

Applicable items should be entered in chronological order. Documents maintained in the file will be filed consecutively in each section with the highest number on top. When an item is not applicable, it will be designated with “NA” in the Tab column.

	RFP No. _____ Section C CONTRACT ADMINISTRATION DOCUMENTS	
Tab No.	Document(s)	Audited By
1.	Post Award Conference	
2.	Quality Assurance Records	
3.	Change Notices/Modification/Change Orders	
4.	Periodic Status Reports	
5.	Site Visit Reports	
6.	Termination/Stop Work Notices or Resolution Plan	
7.	Notice of Claims	
8.	Release of Claims/Bonds	
9.	Assignments	
10.	Notice of Final Payment	
11.	Audit Reports	
12.	Liquidated Damages	
12.	Close out Documentation	

Contract No.: _____

Contract Administrator: _____

Date: _____

**ARCHITECTURAL AND ENGINEERING
SERVICES CONTRACTS
(BROOKS METHOD)**

I. PURPOSE

This procedure sets forth policies and instructions for the acquisition, administration, and termination of contracts for A & E services by Metra, regardless of the funding mechanism.

II. POLICY:GENERAL:

A & E services are acquired by Metra using the "Brooks" procurement method regardless of the funding mechanism. The Brooks procurement method is based on the award of contracts for services such as A & E services using a qualifications-based procurement analysis. Price is not a factor in determining the most qualified Offeror. Instead, each Offeror's qualifications are evaluated and the most qualified Offeror is selected subject to the negotiation of fair and reasonable compensation.

Proposals will be evaluated, negotiated, selected and any award shall be made in accordance with the criteria and procedures described below. The approach and procedures are those which are applicable to a competitive negotiated procurement whereby proposals are evaluated to determine which proposals are within a competitive range. Discussions and negotiations may then be carried out with Offerors within the competitive range. The Offeror selected will be the Offeror whose proposal is found to be most advantageous to Metra, based upon consideration of the Evaluation Criteria.

Metra personnel will maintain ethical standards in their professional activities. Metra personnel must avoid personal and organizational conflict-of-interest situations and avoid the appearance of such situations. Metra personnel are required to be familiar with Metra's ethics policies and all circumstances and persons covered by any type of conflict-of-interest situation.

Any proprietary information, methodology, or application that is contained in a proposal shall remain strictly confidential, will be screened for distribution only to those Metra personnel who require it for work directly connected with the project, and will not be distributed to persons not relevant to the project and not within reporting hierarchies at Metra which are relevant to the project. The confidentiality extends to the cost/profit figures contained in the proposals and the process of negotiations.

NARRATIVE DESCRIPTION OF PROCESS:

The process for a particular award of an Architectural & Engineering (A & E) services contract will be described in the respective Request for Proposals ("RFP") prepared by the

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**ARCHITECTURAL AND ENGINEERING
SERVICES CONTRACTS
(BROOKS METHOD)**

- Negotiates and coordinates award of final contract to highest ranked Offeror(s) (or subsequently ranked Offeror(s), as applicable).
- Coordinates on-going administrative duties that are not directly related to the monitoring of the work performance, such as correspondence meeting minutes.
- Upon notification from Requisitioner/User, attempts to obtain compliance with contract provisions from non-complying Consultants and/or takes remedial actions with respect to the subject contract (including without limitation cancellation of the contract) as necessary.
- **Completes Checklist-RFP's for each RFP.**
- Maintain all substantive records and correspondence with respect to each RFP, including the information identified in Section II above, in respective procurement file (other than large maps, drawing and plans which are to be kept in respective department file).

Material Management Department

- Reviews contracts and approves as appropriate.

Requisitioner/User

- Establishes project objectives, the tentative scope of work, and the Evaluation Criteria.
- Determines budgetary support limits and tentative project scheduling.
- Prepares initial Purchase Requisition and RFP.
- Prepares a clear, accurate description of the technical requirements, and unambiguously as possible for the services(s) to be procured.
- Prepares an independent Cost Estimate.
- Determines the importance of contract completion or milestone date(s) so that the appropriate actions can be taken if noncompliance of the terms has occurred.
- Submits the RFP to DBE Administration for review of compliance with applicable DBE guidelines.
- Submits the RFP reviewed by DBE Administration to the General Development Department for review of compliance with applicable funding guidelines. Identifies appropriate funding account(s) and inputs onto the Purchase Requisition.
- Submits the RFP reviewed by the General Development Department to the Professional Services/ Contracts Division.
- Submits list of additional prospective proposed Offerors, if any.

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**ARCHITECTURAL AND ENGINEERING
SERVICES CONTRACTS
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Responsible Party

Action

Professional Services/
Contracts Division (review
of initial RFP)

1.
 - a. Receive and review the Purchase Requisition and initial RFP (including all Evaluation Criteria) and all appropriate attachments from General Development Department.
 - b. Request Cost Estimate from Materials Department and/or the Requisitioner/User if not attached to initial RFP.
 - c. If submitted initial RFP is approved, consult with Requisitioner/User to select Evaluation Committee and Contact Person and proceed to step (B)(2) below.
 - d. If submitted initial RFP is not approved for any reason, forward subject initial RFP and all appropriate attachments back to Requisitioner/User with comments for revisions and re-submittal (proceed to back to step (A)(3) above).
 - e. Complete applicable sections of Checklist - RFP's, if any.

Professional Services/
Contracts Division
(preparation of formal
RFP/advertisement)

2.
 - a. Prepare the formal RFP, which should include at least the following in the project description: overview, objectives, scope, estimated time schedule, reporting requirements, required projects documents, DBE requirements (if any), the procurement method, Evaluation Criteria and Contact Person.
 - b. Forward any modifications to the initial RFP to all interested parties.
 - c. Prepare solicitation advertisement to be placed in newspaper of general circulation.
 - d. Identify target Offerors from Metra's vendor database to receive e-mail regarding solicitation.
 - e. Prepare Insurance Requirement Request Form and request Risk Management to determine insurance

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**ARCHITECTURAL AND ENGINEERING
SERVICES CONTRACTS
(BROOKS METHOD)**

Responsible Party

Action

requirements based on the scope of the project.

- f. Complete applicable sections of Checklist - RFP's, if any.

Risk Management

- 3.
 - a. Receive Insurance Requirement Request form from Professional Services/ Contracts Division.
 - b. Determine the applicable insurance requirements, if any, for Offerors.
 - c. Complete an insurance certificate which documents the requirements of insurance (as applicable), and send to Professional Services/ Contracts Division Documents.

Professional Services/
Contracts Division (prior to
advertisement/ mailing of
solicitations for proposals)

- 4.
 - a. Receive determination of insurance requirements from Risk Management. If insurance requirements necessary, identify such requirements in relevant exhibit of formal RFP. If insurance requirements are determined to be unnecessary, then delete this exhibit.
 - b. Circulate the formal RFP with selected Offeror direct mailing list to the Requisitioner/User, DBE Administration, General Development Department, and Risk Management Division for final review.
 - c. Concurrently with the circulation of the formal RFP, advertise the project in a newspaper of general circulation and send e-mail notices to each Offeror selected from Metra's vendor database.
 - d. Complete applicable sections of Checklist - RFP's, if any.

Professional Services/
Contracts Division (after
advertisement/ mailing of
solicitations for proposals)

- 5.
 - a. Schedule and host, if necessary, a pre-proposal conference and answer questions from potential Offerors to clarify requirements.
 - b. Notify Evaluation Committee and appropriate division/department/offices of conference, if any.

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**ARCHITECTURAL AND ENGINEERING
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(BROOKS METHOD)**

Responsible Party

Action

- c. Have Contact Person and any other appropriate Metra staff available to answer questions on any portion of the formal RFP.
- d. Complete applicable sections of Checklist - RFP's, if any.

V. INSTRUCTIONS (Continued)

C. Selection of Consultant

Responsible Party

Action

Professional Services/
Contracts Division

- 1.
 - a. Receive proposals, record the names of the Offerors on the Proposal Tabulation Bid Sheet, and indicate respective due date.
 - b. Open proposals in the presence of a witness on the due date.
 - c. Review each proposal for general responsiveness, responsibility, completeness, and compliance with instructions.
 - d. Complete Responsibility Determination Form for each proposal and file completed form in respective procurement file.
 - e. Forward copies of proposals accepted for consideration to DBE Administration (as applicable) for review.
 - f. Forward copies of proposals accepted for consideration (after approval by DBE Administration, as applicable) to Evaluation Committee for review.
 - g. Complete applicable sections of Checklist - RFP's, if any.

DBE Administration

- 2.
 - a. Receive and review copies of accepted proposals from Professional Services/ Contracts Division.
 - b. Prepare memo for distribution to the

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Responsible Party

Action

- b. Receive and review list of additional information with respect to an Offeror(s) requested by Evaluation Committee (as applicable).
- c. Obtain all other information with respect to an Offeror(s) requested by Evaluation Committee and forward such information to Evaluation Committee for review (as applicable).
- d. Notify selected Offerors of their inclusion on a short list and coordinate possible meeting dates with each such Offeror.
- e. Schedule and host, if necessary, a pre-award interview to resolve and clarify any final questions or other matters.
- f. Document all correspondence and discussions with Offerors, including substantive details of discussions with Offerors, and maintain all such records.
- g. Complete applicable sections of Checklist - RFP's, if any.

Evaluation Committee

- 5.
 - a. Receive and review all other information received from Professional Services/ Contracts Division regarding Offerors.
 - b. Have members of Evaluation Committee independently re-evaluate and re-rank proposals from each of the Offerors, as necessary based on new information.
 - c. Have members of the Evaluation Committee meet to discuss revised independent rankings of each of the Offerors, as necessary, and through their discussions, obtain a revised consensus ranking with respect to each Offeror.
 - d. Identify highest ranked Offeror and ranking of remaining Offerors (if any) and provide Professional Services/ Contracts Division with list of such Offerors.
 - e. Prepare and maintain supporting documents

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**ARCHITECTURAL AND ENGINEERING
SERVICES CONTRACTS
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Responsible Party

Action

changes or will change, then require the Offeror to submit an updated RC4400 form (proceed to step (C)(7) below).

Professional Services/
Contracts Division

7.
 - a. Obtain the terms of the negotiated offer in writing from the Offeror.
 - b. Perform a revised Cost Analysis, as necessary, with respect to the negotiated offer and measure the cost reasonableness of negotiated offer.
 - c. For each Offeror selected, prepare a Recommendation Memo to the Executive Director, containing an executive summary and including: a description of the contract, the purpose of the contract, the number of proposals received, the source of funding related to the contract, the total and incremental costs of the contract, the detailed basis for selection (including evidence of Evaluation Committee's ranking of such Offeror), and the specific reasons for the recommendation of the highest ranking Offeror to obtain Board concurrence.
 - d. Obtain Board Concurrence.
 - e. File a summary of the Cost Analysis with other significant and/or supporting documentation in respective procurement file.
 - f. Receive all records connected with the evaluation and re-evaluation of each proposal from Evaluation Committee and file such records in respective procurement file.
 - g. Complete applicable sections of Checklist - RFP's, if any.

V. INSTRUCTIONS (Continued)

D. Awarding the Contract

Responsible Party

Action

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**ARCHITECTURAL AND ENGINEERING
SERVICES CONTRACTS
(BROOKS METHOD)**

Responsible Party

Action

Professional Services/
Contracts Division

1.
 - a. After receiving Board Concurrence, prepare two original copies of the contracts with appropriate detailed information for Blue Folder circulation.
 - b. Prepare all other appropriate documents for Blue Folder circulation.
 - c. Concurrently with the preparation of the Blue Folder documents, obtain the selected Offeror's signature on two original copies of the contract.
 - d. Once all documentation is with the Blue Folder, internally route as set forth on the Routing Slip.
 - e. Complete applicable sections of Checklist - RFP's, if any.

DBE Administration

2.
 - a. Review prepared contracts in the Blue Folder received from Professional Services/ Contracts Division to ensure all DBE required attachments, if any, have been incorporated in the contract correctly and, if so, forward Blue Folder to General Development Department.
 - b. If required attachments have not been incorporated into the contract, include a copy of the all such required attachments in Blue Folder and forward Blue Folder to General Development Department (proceed to step (D)(14) below).

General Development
Department

3.
 - a. Review and approve all appropriate documents in the Blue Folder received from DBE Administration.
 - b. If changes to any document(s) in the Blue Folder is required, route the Blue Folder back to Professional Services/ Contracts Division for changes (proceed to step (D)(4) below).
 - c. Forward any appropriate documentation to the FTA and/or IDOT for concurrences, as necessary.
 - d. When concurrences are received from FTA and/or

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**ARCHITECTURAL AND ENGINEERING
SERVICES CONTRACTS
(BROOKS METHOD)**

Responsible Party

Action

IDOT, forward Blue Folder to Accounts Payable (proceed to step (D)(5) below).

Professional Services/
Contracts Division

4.
 - a. If changes are required from General Development Department make requested corrections on appropriate documents in the Blue Folder and return Blue Folder to General Development Department for concurrence.
 - b. Complete applicable sections of Checklist - RFP's, if any.

Accounts Payable

5.
 - a. Review all appropriate documents in the Blue Folder received from General Development Department.
 - b. Prepare and file all necessary documents to encumber funds.
 - c. Forward Blue Folder to Risk Management.

Risk Management

6.
 - a. Review prepared contract in the Blue Folder received from Accounts Payable to ensure all applicable insurance requirement attachments, if any, have been incorporated in the contract and, if so, forward Blue Folder to Professional Services/ Contracts Division.
 - b. If required attachments have not been incorporated into the Blue Folder, include a copy of the all such required attachments in Blue Folder and forward Blue Folder to Professional Services/ Contracts Division (proceed to step (D)(14) below).

Professional Services/
Contract Division

7.
 - a. Receive Blue Folder from Risk Management.
 - b. Insert signed contract into Blue Folder.
 - c. If contract is a corporate administrative contract valued over \$10,000 and requires approval, forward

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**ARCHITECTURAL AND ENGINEERING
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Responsible Party

Action

Blue Folder to the Sr. Director General Administration (proceed to step (D)(9) below), otherwise, proceed to step (D)(8) below.

- d. Complete applicable sections of Checklist - RFP's, if any.

Law Department

- 8. a. Review all appropriate documents in the Blue Folder received from Professional Services/Contract Division for legal compliance.
- b. If any one or more of the documents in the Blue Folder require modification, alert and coordinate with Professional Services/ Contracts Division regarding required modifications to documents (proceed to step (D)(14) below).
- c. Otherwise, if Law Department is satisfied with respect to legal compliance of contract, forward Blue Folder back to Professional Services/ Contracts Division.

Sr. Division Director General Administration (for corporate administrative contract valued over \$10,000)

- 9. a. Review all appropriate documents in the Blue Folder received from Professional Services/ Contracts Division.
- b. If any one or more of the documents in the Blue Folder require modification prior to acceptance by Sr. Division Director General Administration, alert and coordinate with Professional Services/ Contracts Division regarding required modifications to documents (proceed to step (D)(14) below).
- c. Otherwise, if Sr. Division Director General Administration is satisfied with the documents in the Blue Folder, approve contract and forward Blue Folder to Law Department.

Professional Services/
Contract Division

- 10. a. Review all appropriate documents in the Blue Folder received from the Sr. Division Director General Administration (as applicable) and/or the Law Department.

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**ARCHITECTURAL AND ENGINEERING
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Responsible Party

Action

- b. Revise compilation of Blue Folder documents as necessary.
- c. Forward revised Blue Folder documents to Material Management Department.
- d. Complete applicable sections of Checklist - RFP's, if any.

Material Management Department

- 11. a. Review all appropriate documents in the Blue Folder received from Professional Services/ Contracts Division.
- b. If any one or more of the documents in the Blue Folder require modification prior to acceptance by Material Management Department, alert and coordinate with Professional Services/ Contracts Division regarding required modifications to documents (proceed to step (D)(14) below).
- c. Otherwise, if Material Management Department is satisfied with the documents in the Blue Folder, present Blue Folder documentation to Deputy Executive Director for approval.

Deputy Executive Director

- 12. a. Review all appropriate documents in the Blue Folder received from the Material Management Department.
- b. If any one or more of the documents in the Blue Folder require modification prior to acceptance by Deputy Executive Director, alert and coordinate with Professional Services/ Contracts Division regarding required modifications to documents (proceed to step (D)(14) below).
- c. Otherwise, if Deputy Executive Director is satisfied with the documents in the Blue Folder, forward Blue Folder to the Executive Director for final approval.

Executive Director

- 13. a. Review, as final approval, all appropriate documents in the Blue Folder received from Deputy Executive

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**ARCHITECTURAL AND ENGINEERING
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(BROOKS METHOD)**

Responsible Party

Action

Director.

- b. If any one or more of the documents in the Blue Folder require modification prior to acceptance by Executive Director, alert and coordinate with Professional Services/ Contracts Division regarding required modifications to documents (proceed to step (D)(14) below).
- c. Otherwise, if Executive Director is satisfied with the documents in the Blue Folder, grant final approval of the contract and forward approved contract and remainder of Blue Folder to Professional Services/ Contracts Division (proceed to step (D)(15) below).

Professional Services/
Contract Division (upon
rejection of Blue Folder
documents by DBE
Administration/
Risk Management/ Sr.
Division Director Corporate
Administration/ Law
Department/ Material
Management Department/
Deputy Executive Director/
and/or Executive Director)

- 14. a. Coordinate with DBE Administration/ Risk Management/ Sr. Division Director Corporate Administration/ Law Department/ Material Management Department/ Deputy Executive Director/ and/or Executive Director (as applicable) regarding required modifications to documents, then proceed to step (D)(15) below.
- b. Complete applicable sections of Checklist - RFP's, if any.

Professional Services/
Contracts Division

- 15. a. Process the approved contract.
- b. Distribute signed copies of approved contract as follows:
 - i. Selected Offeror - original, hand signed, w/cover letter and appropriate exhibits requesting insurance certificates to be submitted to Professional Services/ Contracts Division.
 - ii. Requisitioner/User - copy of original contract along with any exhibits.
 - iii. Accounts Payable - copy of contract, Account

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Responsible Party

Action

Data Sheet, and Purchase Requisition.

- iv. General Development Department - if grant funded, copy of contract and Account Data Sheet.
- v. Retain in respective procurement file - original, hand signed, with any exhibits.
- c. Receive and review Offeror's required insurance certificates. Forward copies of such certificates to Risk Management Division and/or DBE Department (if DBE participation is required) for approval.
- d. Otherwise, Risk Management Division and/or DBE Department (as applicable) approve received insurance certificates, issue a "notice to proceed" letter to selected Offeror.
- e. Notify remaining non-selected Offerors by letter of decision to proceed with selected Offeror.
- f. Compile all records connected with the history of the subject RFP procurement , including without limitation all documentation relating to the rationale for the method of procurement, the selection of contract type, the basis of Evaluation Committee's Offeror selection/ rejection based on the Evaluation Criteria, Evaluation Committee's rankings (individual and group) with respect to each Offeror and the basis for the contract price.
- g. File all of the foregoing records in respective procurement file (other than large maps, drawing and plans which are to be kept in respective department file).
- h. Finalize Checklist - RFP's and file in respective procurement file.

V. INSTRUCTIONS (Continued)

E. Administration of Contract

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From July 21, 2011, PSR Final Report

52. Serial Price Negotiations [A&E]

Basic Requirement: Chapter VI, Section 3.f. (3) (d) of FTA C 4220.1F indicates that under the Brooks Act:

- Negotiations be conducted with only the most qualified offeror
- Failing agreement on price, negotiations with the next most qualified offeror be conducted until a contract award can be made to the most qualified offeror whose price is fair and reasonable to the grantee.

Discussion: Two (2) A&E procurements were reviewed for this requirement and one (1) was found to be deficient due to a lack of documentation on negotiations conducted. There was no documentation on how the final blanket purchase order value was arrived at or any evidence of negotiations.

Best Practices: The use of serial negotiations to determine the contract price after the preferred technical choices have been made addresses the cost issue as secondary to the quality issues. The grantee must be careful to specify a realistic level of qualifications required to perform the work and then evaluate against those needs to avoid technical selection of overqualified firms whose pricing may be difficult to adjust to the grantee's budget. Both procurement and technical staff must be knowledgeable in A&E procurement requirements.

Corrective Action: Metra must respond within thirty (30) days from the date of the final report and provide detailed procedures, evidence of adequate training and evidence of independent audits confirming that procedures are being followed consistently.

Metra's Response: Two (2) A & E procurements were reviewed for this requirement and one (1) was found deficient due to lack of documentation on negotiations conducted. There was no documentation on how the final blanket purchase order value was arrived at or any evidence of negotiations.

This contract was one of 8 awards issued from Request for Proposal No. 87659, and the original scoring documentation is located in the first contract, K30869, and is referred to in the contract file that the review found deficient. However, the value of the contract is noted on the Request for Proposal as a "not to exceed" amount, and in this case, that contract had a set value of \$500,000.00. In addition, Metra did not negotiate the fixed hourly or burden rates prior to contract approval. The actual negotiation occurred at the time a "task" was assigned when estimated hours were included along with the hourly and burden rate.

Metra concurs and effective immediately the process has been implemented for negotiating to establish the fixed hourly rates and burden rate done prior to any contract approval for all blanket fixed-fee type A & E contracts.

Reviewing Contractor's Response: Metra's response to this deficiency is not adequate because it did not address how this deficiency will be corrected. All of the contracts issued from RFP No. 87659 should be amended. The history of contract costs and fee must be provided to FTA and evidence of contract changes must be provided to FTA. Copies of revised procedures and processes, evidence of training, and independent audit reports validating the use of compliant procedures must be provided to FTA within 30 days of the date of the final report.

Engineering Department's Process For
Awarding A&E Contracts

(May 31, 2011)

The Engineering Department issues multiple consulting engineering contracts every year. These are professional service contracts and the firms are selected based on the Brooks Method. These contracts fall into two types: (1) single-task A&E projects, and (2) blanket A&E contracts.

1. Contract Identification Process: Separate single-task and blanket A&E contracts are issued for various disciplines of the A&E field. Metra generally issues blanket contracts for signal design engineering, mechanical/electrical design engineering, civil/structural design engineering, station and parking lot design engineering, and finally, construction management inspection services. These contracts are put in place to be used as tasks arise during the term of the blanket contract.

1.1. Single-Task Contract Identification Process. [Joe L. to review and supplement] Based on the capital program for the upcoming year, the appropriate in-house technical expert determines the types of contracts required for the work to be performed and the amount of each contract to be awarded. Next, a request for proposal ("RFP") is crafted. The RFP contains information on the type of contract to be awarded. The RFP also contains specific information about the project or type of work to be performed under the contract.

1.2. Blanket Contract Identification Process. The first step in awarding blanket contracts is to determine the types and number of contracts needed for the upcoming year. Based on the capital program for the upcoming year, the appropriate in-house technical expert determines the number of contracts, and the types of contracts needed and the amount of each contract to be awarded. Next a request for proposal ("RFP") is crafted. The RFP contains information on which type and the number of contracts to be awarded. The RFP also contains specific information about the projects or type of work to be performed under the contracts.

2. Selection process for Single-Task and Blanket Contracts.

2.1. Evaluation of Proposals and Scoring (same for both single task and blankets). Once proposals are received, a team of Metra employees review and score each of the proposals. Once the reviewers have completed their independent review, a meeting is held with all of the reviewers and this meeting is conducted by the Materials Management Department. At this meeting, the reviewers discuss each reviewer's score and come to a consensus agreement on a single score for each of the proposals. The next step is to interview the proposers with the highest scores. Generally, at least the three highest proposers are interviewed, and in some cases more than three may be interviewed. Thereafter, the interviews are held and attended by the same evaluation team. Again, each of the evaluators scores the interviews independently, and then a joint

meeting is conducted by the Materials Management Department to come to a consensus score. Metra then enters into price negotiations with the highest rated proposer.

2.2. Price Negotiations for Single-Task Contracts. Three main components comprise the price negotiations with the highest ranked proposer. The first component is the overhead rate. Metra requests a provisional overhead rate from the firm, generally based on the Illinois Department of Transportation's ("IDOT's") audited rate for the prior year by. The second component is the hourly rates. These rates are reviewed and analyzed as to their reasonableness for each position to be used for the project. The final component is negotiating the number of hours needed to perform the work. These hours are reviewed by the appropriate in-house technical expert as to their reasonableness for the level of effort needed to perform the project. The aforementioned steps are followed before a contract is awarded. Of course, pursuant to the Brooks Method, if Metra does not reach a negotiated agreed upon price with the highest ranked proposer, that proposer is dismissed. Metra then initiates price negotiations with the second ranked proposer.

2.3. Price Negotiations for Blanket Contracts. Price negotiations for the award of blanket contracts utilize the same three components listed above for single-task contracts, but the process is slightly different. When the contract is negotiated, the overhead rate and hourly rates are negotiated in the same manner as a single-task contract before the contract is awarded. However, the number of hours are not determined or reviewed until a task order is assigned. This is because a blanket contract is used on an "as-needed" basis, and, therefore, the hours cannot be reviewed until a task is identified and assigned. At that point, the Engineering Department reviews the hours needed to perform an assigned task and negotiates a final number of hours with the A&E firm that has the blanket contract.

SIGNAL PTC SUMMARY SHEET

DISTRICT	MATERIAL		DESIGN		SHOP WIRING		INSTALLATION		TESTING		VERIFICATION		DISTRICT TOTAL DOLLARS	DISTRICT TOTAL MANI HOURS
	DOLLARS	MANI HOURS	DOLLARS	MANI HOURS	DOLLARS	HOURS	DOLLARS	MANI HOURS	DOLLARS	MANI HOURS	DOLLARS	MANI HOURS		
1 MED - UNIVERSITY PARK	\$ 4,033,445	8,240	\$ 1,483,200	8,240	\$ 1,302,912	18,096	\$ 2,108,160	29,280	\$ 293,376	3,056	\$ 900,256	8,336	\$ 10,021,349	67,008
2 MED - SOUTH CHICAGO	\$ 306,510	1,190	\$ 214,200	1,190	\$ 293,760	4,080	\$ 293,760	4,080	\$ 52,224	544	\$ 182,784	1,904	\$ 1,343,238	11,798
3 MED - BLUE ISLAND	\$ 150,750	450	\$ 81,000	450	\$ 155,520	2,160	\$ 155,520	2,160	\$ 27,648	288	\$ 96,768	1,008	\$ 667,206	6,066
4 RID - ROCK ISLAND	\$ 2,020,300	9,380	\$ 1,688,400	9,380	\$ 315,648	4,384	\$ 838,080	11,640	\$ 219,648	2,288	\$ 580,608	6,048	\$ 5,662,684	33,740
5 RID - BEVERLY	\$ 1,267,925	4,240	\$ 763,200	4,240	\$ 417,024	5,792	\$ 768,960	10,680	\$ 92,160	960	\$ 107,520	1,120	\$ 3,416,789	22,792
6 SOUTHWEST SERVICE	\$ 658,430	2,420	\$ 435,600	2,420	\$ 51,840	720	\$ 319,680	4,440	\$ 102,912	1,072	\$ 333,312	3,472	\$ 1,901,774	12,124
7 MD - WEST	\$ 1,286,540	3,730	\$ 671,400	3,730	\$ 342,144	4,752	\$ 779,328	10,824	\$ 210,432	2,192	\$ 451,584	4,704	\$ 3,741,428	26,202
8 MD - NORTH	\$ 2,206,775	6,650	\$ 1,197,000	6,650	\$ 1,096,704	15,232	\$ 1,494,720	20,760	\$ 196,144	2,064	\$ 397,824	4,144	\$ 6,591,167	48,850
9 MD - FOX LAKE	\$ 405,900	1,570	\$ 282,600	1,570	\$ 261,504	3,632	\$ 293,760	4,080	\$ 53,760	560	\$ 161,280	1,680	\$ 1,458,804	11,522
TOTAL													\$ 34,804,439	240,102

METRA FIELD SUPERVISION (8% OF TOTAL)	\$ 2,784,355
CM FIELD SUPPORT (10% OF TOTAL)	\$ 3,480,444
VEHICLE/CONSTRUCTION EQUIP. (2% OF TOTAL)	\$ 696,089
METRA ENGINEERING (5% OF TOTAL)	\$ 1,740,222
CONTINGENCIES (20% TOTAL)	\$ 6,960,888

COLUMN TOTAL DOLLARS	\$ 12,396,575	\$ 6,010,500	\$ 4,237,056	\$ 7,051,968	\$ 1,250,304	\$ 3,111,936	\$ 50,466,437
COLUMN TOTAL MANI HOURS		37,870	58,848	97,944	13,024	32,416	240,102

Memorandum

DATE: October 20, 2009
TO: File
FROM: A. B. Darin, Department Head *ABD*
Materials
SUBJECT: CONTRACT No. K91240 - Task No. 1
SIGNAL ENGINEERING SERVICES

Estimate of Cost:

Assume: Average hourly rate for all engineering disciplines of \$60.00 per hour.
Average Overhead Burden Rate of 162.28%.

Direct Labor Costs	4335 hrs. x \$60.00/hr.	\$ 260,100.00
Overhead Burden	Direct Labor x 162.28%	\$ 422,090.28
Fee 10%	(Direct Labor + Overhead Burden) x 10%	\$ 68219.03

TOTAL ESTIMATED COST

\$750,409.31

**ARCHITECTURAL AND ENGINEERING
SERVICES CONTRACTS
(BROOKS METHOD)**

V. INSTRUCTIONS (Continued)

C. Selection of Consultant (cont'd)

<u>Responsibility</u>	<u>Action</u>
Requisitioner/User and Professional Services/Contracts	7. Evaluate and then list at least the top three Offerors. Send a list of these Offerors and a list of possible meeting dates to Professional Services/Contracts. Prepare and maintain supporting documents regarding the firm selection.
Professional Services/Contracts	8. If less than three Offerors, conduct a canvass and document findings. 9. Notify these Offerors of their inclusion on a short list and arrange the date, time, and place for a separate discussion and notify DBE Administration and Requisitioner/User of date, time, and place of discussion.
Requisitioner/User and Professional Services/ Contract Division	10. Document the proceedings and details of the discussions. 11. Re-evaluate the Offerors who are within the Scoring Range. The evaluation is to include additional information obtained in any discussion. Select the highest-ranked Offeror. 12. Request from the highest-ranked Offeror an RC4400 form, hourly burden rates, and any other schedule of rates and/or overhead rates.
Requisitioner/User and Professional Services/ Contracts Division	13. Negotiate the offer, with the highest-ranked Offeror. In the event that the Metra staff is unable to reach an agreement with the highest-ranking Offeror, terminate negotiations and enter into negotiations with the next highest-ranking Offeror.

REVISIONS	ISSUE DATE	PREPARED BY	APPROVED BY	PAGE	OF
4	9-1-06	Materials Management		10	17

**ARCHITECTURAL AND ENGINEERING
SERVICES CONTRACTS
(BROOKS METHOD)**

V. INSTRUCTIONS (Continued)

C. Selection of Consultant (cont'd)

<u>Responsibility</u>	<u>Action</u>
Requisitioner/User and Professional Services/Contracts Division	14. If through negotiations, information on the RC4400 or schedule changes, then require the Offeror to submit an updated RC4400 form. Obtain the terms of the negotiated offer in writing from the Offeror. Perform a Cost Analysis and file a summary of the Cost Analysis with other significant documentation.
Professional Services/Contracts	15. Notify the Offeror firms which were not selected, by letter, that they will not be considered any further unless a candidate is not selected from those Offerors short listed.
Professional Services/Contracts	16. For each firm selected, prepare a recommendation memo (See Exhibit V in PU-06-RC, Professional Services Contracts) to the Executive Director, containing an executive summary. The memo should include: the description, the purpose of the contract, the number of proposals received, the source of funding related to the contract, the cost of the contract, the detailed basis for selection, and the specific reasons for the recommendation of the highest ranking Offeror to obtain Board concurrence.
Executive Director	17. Obtain Board concurrence (See Exhibit II).

REVISIONS	ISSUE DATE	PREPARED BY	APPROVED BY	PAGE	OF
4	9-1-06	Materials Management		11	17

LTK Engineering Services

METRA - PTC PTC Implementation Plan

Calendar Year 2009 Hourly Rate Schedule

Employee Name	Classification	2009 Direct Labor Rate
Bisset, Kendrick	Senior Systems Consultant	\$64.90
Carson, John	Systems Consultant	\$48.58
Chertock, Guy	Vehicle Consultant	\$33.66
Diaz, David	Senior Vehicle Consultant	\$84.18
Elliott, David	Senior Vehicle Consultant	\$75.46
Golucki, Mark	Systems Consultant	\$54.24
Jedynak, Zbigniew	CADD Technician	\$36.56
Johnson, Michael	Vehicle Consultant	\$38.68
McFadden, Daniel	Senior Vehicle Consultant	\$60.10
Novak, Paul	Senior Systems Consultant	\$63.72
Patel, Dilip	Senior Vehicle Consultant	\$67.84
Rhea, William	Senior Vehicle Consultant	\$72.12
Schultz, Robert	Senior Systems Consultant	\$62.46
Sergot, George	Senior Systems Consultant	\$49.40
Travis, Richard	Senior Systems Consultant	\$64.74
Weaver, Paul	Senior Systems Consultant	\$62.46

LTK Facilities Overhead Rate

160.55%

LTK Fixed Fee

10.00%

- LTK 2009 Hourly Rates listed above are for calendar year 2009 and are subject to escalation at the first pay period of each year following.
- Expenses are billed at cost, supported by receipts, with no additional mark up.

Lisa J. Larry, Inc.

METRA - PTC
PTC Implementation Plan

Calendar Year 2009 Hourly Rate Schedule

Employee Name	Classification	2009 Hourly Rate
Larry, Lisa	Sr. Systems Consultant	\$137.50

- Rate is fully burdened, inclusive of direct labor, overhead, and profit.
- Hourly Rates listed above are for calendar year 2009 and are subject to escalation at the first pay period of each year following.
- Expenses are billed at cost, supported by receipts, with no additional mark up.

sa J. Larry, Inc.

Box 8553
525 Jackpine St.
Tahoe City, CA 96145-8553

Invoice

Date	Invoice #
9/29/2007	203

Bill To

LTK Engineering Services
300 South Wacker Dr., Suite 2840
Chicago, IL 60606
Attn: Paul Novak

P.O. No.	Terms	Project
	Net 30	Dearborn/Congress

Item	Description	Qty	Rate	Amount
Phase 2	Signal Engineering Support Services	34	137.50	4,675.00
			Total	\$4,675.00
			Credits	\$0.00

Balance Due \$4,675.00

Memorandum

Date: September 30, 2009

To: File

From: E.H. Remus *EHR*
Sr. Contracting Agent
Professional Services & Contracts

Subject: Contract No. K91240
Blanket Signal Engineering Services
LTK Engineering Services
Not-to-Exceed \$750,000.00

Cost Review

The attached Wage and Overhead Rates submitted for the subject contract have been reviewed and appear to be fair and reasonable. Most of the hourly wage rates for the prime consultant are within the range of those from other Metra consultants performing similar tasks. The two (2) exceptions are the Senior Vehicle Consultants, whose rates of \$84.18 and \$75.46 exceed the \$70.00/hr cap and are not allowed to be used under this contract.

The chart below lists the Prime Consultant Overhead Rate, which was calculated by their independent audit. A copy of that letter is attached.

Their only subconsultant, Lisa Larry, is a sole-owner/proprietorship with no separate breakout for her profit or overhead. Her rate of \$137.50 is fully burdened including profit and is substantiated by a copy of her invoice to the CTA dated 9/29/07.

<u>Company Name</u>	<u>Overhead Rate</u>	<u>Date of Independent Audit Letter</u>
LTK Engineering	160.55%	September 30, 2009

Attachments

EHR/jz

cc: C. Gamboa, Professional Services/Contracts
J. L. Lorenzini, Engineering
E. Fernandes, Audit
Vendor File

INVOICE

CONSULTANT APPLICATION FOR PAYMENT

LTK ENGINEERING SERVICES		CONTR. NO: K91240	METRA PROJECT: PTCIP	P.E. NO: EN4394	INVOICE NO: 3978.01-003R2
CONSULTANT ADDRESS:			DESCRIPTION: PTC Implementation Plan and Design Services -- Task 1		INVOICE PERIOD: 01/31/10 - 12/26/2009
100 West Butler Avenue, Ambler, PA 19002			TYPE OF SERVICES: Signal Engineering		START: 01/29/2010
CONTRACT AMOUNT:	\$ 750,000		PROJECT AMOUNT:	\$ 750,000	INVOICE AMOUNT: \$ 173,561.60
MODIFICATIONS:			ADDITIONAL AMOUNT:		ACCOUNT CODES: EN439457102005
ORIGINAL AMOUNT:	\$ 750,000		ORIGINAL AMOUNT:	\$ 750,000	
END DATE: 2-28-2013			PROJECT END DATE:		

PROJECT APPROVAL BOX

% OF WORK COMPLETED TO DATE: 46.93%

% OF WORK COMPLETED LAST PERIOD: 23.82%

BATCH #	VO # X07
VENDOR #	000 3219 102
1099 ARENACCT/REF:	
	EN 4394 5710 2005
HNR REC	P.O. # 591240
TRM/DUE 25	DISC. AMT.
ATT	SP CK G/L ACT M
MAN GK #	CHK CK #
P.O. REL VER	CLK ACC 7-13-10
SUPRV. APPR.	

APPROVED-
ENGINEERING

ON
ACCT: [Signature]
BY: OK/IS/12/27/10

FROM PROJECT MANAGER:
Paul Novak
APPROVAL/DATE: [Signature] 6/23/10

METRA PROJECT MANAGER:
Ignatius Panepito
APPROVAL/DATE

2010 JUN 25 P 2:39
ACCOUNTS PAYABLE

LTK ENGINEERING SERVICES

Labor Distribution

January, 2010

Employee Name	Employee Classification	Hourly Rate	Total Hours	Total Labor
Project #C3978.01 (Metra- Blanket Design Services)				
Bissett, Kendrick D.G.	Senior Systems Consultant	\$66.50	92.0	\$6,118.00
Callen, Joshua L	Staff Consultant	\$31.52	21.0	\$661.92
Carson, John M	Systems Consultant	\$49.58	74.0	\$3,668.92
Chertock, Guy	Vehicle Consultant	\$33.98	78.0	\$2,650.44
Diaz, David N	Senior Vehicle Consultant	\$70.00	138.0	\$9,660.00
Haas, Brett E	Senior Systems Consultant	\$66.64	34.0	\$2,265.76
Hillis, John E. Jr.	Project Analyst	\$49.90	85.5	\$4,266.45
Howard, Susan	Systems Consultant	\$47.94	4.0	\$191.76
Lee, Robert E	Project Analyst	\$37.62	5.0	\$188.10
McFadden, Daniel J	Senior Vehicle Consultant	\$61.40	99.0	\$6,078.60
Novak, Paul G	Senior Systems Consultant	\$64.21	71.0	\$4,558.91
Patel, Dilip M	Senior Vehicle Consultant	\$69.05	57.0	\$3,935.85
Rhea Jr., William S	Senior Vehicle Consultant	\$70.00	30.5	\$2,135.00
Schultz, Robert	Senior Systems Consultant	\$63.98	149.0	\$9,533.02
St. Ange, Laurie	Staff Consultant	\$30.28	31.0	\$938.68
Walser, Jay S	Senior Systems Consultant	\$64.72	31.5	\$2,038.68
Total Facility Office			1,000.5	\$58,890.09
Total Project Office			-	\$0.00
Total All Offices			1,000.5	\$58,890.09

ACCOUNTS PAYABLE
2010 JUN 25 P 2:39



547 W. Jackson Blvd. Chicago, Illinois 60661 Telephone: (312) 322-6900 TTY# 1-312-322-6774

November 11, 2009

VIA FED EX OVERNITE

Ms. Catherine M. Schmidt
Contracts Manager
LTK Engineering Services
100 West Butler Avenue
Ambler, PA 19002

**Subject: Metra Contract No. K91240 dated November 11, 2009
Blanket Signal Engineering Services
\$750,000.00**

Dear Ms. Schmidt:

Enclosed is the fully executed subject contract for your records.

The insurance certificates previously submitted by your company have been approved by the Metra Risk Management Department. You are hereby authorized to proceed with the work under this contract. Mr. Bill Kaminski of the Metra Signal Engineering Department will be your contact at (312) 322-6915.

Unless an audit has been conducted by Metra, and/or Metra has approved your firm's burden rate from a certified independent audit, the burden rate, as submitted and for your subcontractor(s), is provisionally accepted. Metra reserves the right to conduct an audit to verify the burden rate and claimed costs applicable to this and any subsequent projects. Per Clause 9B, Audit and Inspection of Records, note that contract costs of labor, materials and overhead are subject to audit and any over billings to Metra of actual costs will be repaid to Metra.

With receipt of enclosed contract, please be advised your firm must be aware of and comply with the Federal Railroad Administration (49 CFR 214), Working on Railroad Bridges, rules H469, H470 and H471. Return the acknowledgement to my office at the above letterhead address. Call my office if you have any additional questions at (312) 322-6664.

Page 2

Metra Contract No. K91240

Very truly yours,

CARLOS GAMBOA

Carlos Gamboa, C.P.M.
Department Head
Professional Services/Contracts

EHR/jz
Enclosure

cc: C. Cummins, Gen'l Dev.
J. L. Lorenzini, Engineering
Y. Kostecki, Accts Payable
S. Llano, DBE
C. Kalck, Risk Management
E. Fernandes, Audit

ACKNOWLEDGEMENT OF AWARD LETTER WITH FRA (49 CFR 214) NOTICE

Firm Name: _____

By: (Print): _____

Signature: _____

Date: _____

AGREEMENT

FOR PROFESSIONAL AND CONSULTING SERVICES BLANKET CONTRACTS

This Agreement is entered into this 11TH day of NOVEMBER, 2009 in Chicago, Illinois, by and between the Northeast Illinois Regional Commuter Railroad Corporation d/b/a Metra, Metropolitan Rail ("Metra"), a public corporation under Illinois law, and LTK Engineering Services ("Consultant"), having offices located at 300 S. Wacker Drive, Suite 2840, Chicago, IL 60606. Consultant and Metra are sometimes collectively referred to as "Parties." In consideration of the promises and agreements set forth, the Parties agree:

1. SCOPE AND DESCRIPTION OF SERVICES.

Consultant will perform the following services ("Work"): Provide Blanket Professional Signal Design Engineering Services.

2. COMPENSATION.

The total amount of this blanket Agreement including all individual tasks, shall not exceed \$750,000.00.

Once specific tasks have been assigned, Metra agrees to pay, and Consultant agrees to accept the prices stipulated on the cost or price schedule, which is attached as Exhibit 2. With respect to the overhead rate described on the attached schedule, Consultant will list the immediate prior year overhead rate. The immediate prior year rate will be a provisional rate until audited by and/or accepted by Metra. Consultant may apply the provisional rate until such time as Metra's Audit Department audits and/or accepts Consultant's actual individual yearly overhead rate as computed under the Illinois Department of Transportation guidelines for computation of overhead rates. Once Metra audits and /or accepts the provisional overhead rate, the actual overhead rate for each year will be applied to each year's respective billings. Payments made using the provisional overhead rate will be subject to change and adjusted to conform with the audited and/or accepted overhead rate for each year. Consultant shall be paid only for the actual Work performed at the prescribed rates during the preceding billing period, not to exceed the percentage of the Work completed as of the end of the billing period. The full payment for each task shall not exceed the total price as stated in the applicable Metra Form 4400 for that particular task(s) assigned ("Total Price"). The Metra Form 4400, agreed to by Metra and submitted by Consultant in response to Metra's request for a specific task, and the subsequent Notice to Proceed (defined below), are incorporated into this Agreement by reference. The Total Price also includes the cost of all applicable taxes (where Metra is not exempt), bonds, if required, and other charges of every kind and nature. The Total Price shall not include, and Metra shall not pay, taxes or fees from which Metra is exempt. Metra is exempt from various federal taxes, all state and unit of local government taxes, and registration and license fees. Consultant shall promptly notify Metra, and afford it the opportunity, before payment of any taxes, to contest said claims in the manner and to the extent it may elect, and to settle or satisfy such claims.

Consultant shall submit all invoices on Metra Form #B100R107, which is incorporated into and made a part of this Agreement, along with all appropriate support documents, for all amounts to be paid by Metra

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT ON THE DATES RECITED BELOW:

NORTHEAST ILLINOIS REGIONAL
COMMUTER RAILROAD
CORPORATION D/B/A METRA

CONSULTANT

RG
BY 

BY 

PHILIP A. PAGANO
PRINT NAME

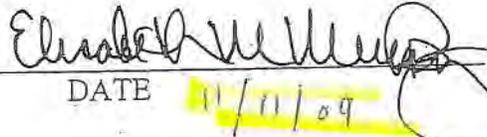
Frederick H. Landell
PRINT NAME

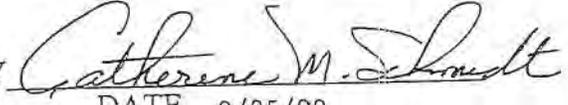
TITLE EXECUTIVE DIRECTOR

TITLE Vice President - Northeast Region

ATTEST

ATTEST

BY 
DATE 11/11/09

BY 
DATE 9/25/09

TITLE ASSISTANT SECRETARY
TO THE BOARD

TITLE Corporate Secretary

From July 21, 2011, PSR Final Report

56. Clauses

Basic Requirement: Chapter IV, Section 2 and Appendix D of FTA C 4220.1F indicates that:

- A current but not all inclusive and comprehensive list of statutory and regulatory requirements applicable to grantee procurements (such as Davis-Bacon Act, Disadvantaged Business Enterprise, Clean Air, and Buy America) is contained in the FTA Master Agreement.
- Grantees are responsible for evaluating these requirements for relevance and applicability to each procurement.

Discussion: Of the fifty-three (53) procurements reviewed for this requirement, twenty-three (23) were found to be deficient. The standard contract clauses used by Metra for purchases under the small purchase threshold and for professional services do not include the clauses required by FTA.

Best Practices: The Best Practices Procurement Manual discusses which Federal clauses are to be flowed down to sub-contractors and third parties. The flow-down requirements are applicable not only to contracts but to purchase orders as well. See Appendix L, Contract Clauses for an example of a contract clause listing. Purchase order forms that include these requirements should be put in place. Including all required clauses in every file would simplify contract preparation for all federally funded items. Current procedures do not list all the specific flow-down requirements and should be updated to do so, whether in an appendix or in the body of the procedure. Grantees should also provide training to all personnel who are involved in the procurement process (including sub-contractors) to ensure they are familiar with the requirements of the FTA Circular and Master Agreement.

Corrective Action: Metra must respond within thirty (30) days from the date of the final report and provide detailed procedures, evidence of adequate training and evidence of independent audits confirming that procedures are being followed consistently.

Metra's Response: The 23 deficient files lacking the appropriate FTA Clauses were identified against Metra's procurements under \$10,000.

Metra concurs and will notify all bidders that Federal statutory and regulatory applicable requirements apply for all federally funded purchases. Additionally, required clauses will be maintained in the respective procurement file. This process will be in place within 30 days.

Reviewing Contractor's Response: Metra's response is not adequate because it did not address how the required clauses will be included in contracts for professional services. The corrective action must be revised to include the current and future inclusion of clauses in this type of contract. Copies of revised procedures and processes, evidence of training, and independent audit reports validating the use of compliant procedures must be provided to FTA within 30 days of the date of the final report.

Exhibit _____

U.S. DEPARTMENT OF TRANSPORTATION FEDERAL TRANSIT ADMINISTRATION REQUIREMENTS

CONTRACT CLAUSES

If applicable, FTA Circular 4220.1F Contract Clauses will apply to any purchase order/contract resulting from this Invitation for Bid or Request for Proposal. See the attached listing of the Applicability of Third Party Clauses for the respective type of procurement. For your reference, the Contract Clauses in the attached list, have been listed in this Exhibit as they appear in the Circular. For further information, visit the FTA website: <http://www.fta.dot.gov>.

APPLICABILITY OF THIRD PARTY CONTRACT PROVISIONS

(excluding micro-purchases, except Davis-Bacon requirements apply to contracts exceeding \$2,000)

PROVISION	TYPE OF PROCUREMENT					
	Page No.	Professional Services/A&E	Operations/Management	Rolling Stock Purchase	Construction	Materials & Supplies
No Federal Government Obligations to Third Parties (by Use of a Disclaimer)	Pg. 22	All	All	All	All	All
False Statements or Claims Civil and Criminal Fraud	Pg. 7	All	All	All	All	All
Access to Third Party Contract Records	Pg. 6	All	All	All	All	All
Changes to Federal Requirements	Pg. 9	All	All	All	All	All
Termination	Pg. 10	>\$10,000 if 49 CFR Part 18 applies.	>\$10,000 if 49 CFR Part 18 applies.	>\$10,000 if 49 CFR Part 18 applies.	>\$10,000 if 49 CFR Part 18 applies.	>\$10,000 if 49 CFR Part 18 applies.
Civil Rights (Title VI, ADA, EEO except Special DOL EEO clause for construction projects)	Pg. 8 & Pg. 11	All	All	All >\$10,000	All	All
Special DOL EEO clause for construction projects	Pg. 18				>\$10,000	
Disadvantaged Business Enterprises (DBEs)	Pg. 9	All	All	All	All	All
Incorporation of FTA Terms	Pg. 5	All	All	All	All	All
Debarment and Suspension	Pg. 7	>\$25,000	>\$25,000	>\$25,000	>\$25,000	>\$25,000
Buy America	Pg. 14 & Pg. 19			>\$100,000 As of Feb. 2011, FTA has not adopted the FAR 2.101 \$150,000 standard.	>\$100,000 As of Feb. 2011, FTA has not adopted the FAR 2.101 \$150,000 standard.	>\$100,000 As of Feb. 2011, FTA has not adopted the FAR 2.101 \$150,000 standard.
Resolution of Disputes, Breaches, or Other Litigation	Pg. 22	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Lobbying	Pg. 7	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Clean Air	Pg. 13	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Clean Water	Pg. 13	>\$100,000	>\$100,000	>\$100,000	>\$100,000	>\$100,000
Cargo Preference	Pg. 15			Transport by ocean vessel.	Transport by ocean vessel.	Transport by ocean vessel.
Fly America	Pg. 15	Foreign air transp./travel.	Foreign air transp./travel.	Foreign air transp./travel.	Foreign air transp./travel.	Foreign air transp./travel.

APPLICABILITY OF THIRD PARTY CONTRACT PROVISIONS (Continued)

(excluding micro-purchases, except Davis-Bacon requirements apply to construction contracts exceeding \$2,000)

TYPE OF PROCUREMENT						
PROVISION	Page No.	Professional Services/A&E	Operations/ Management	Rolling Stock Purchase	Construction	Materials & Supplies
Davis-Bacon Act	Pg.18				>\$2,000 (also ferries).	
Contract Work Hours and Safety Standards Act	Pg. 10 & Pg. 19		>\$100,000 (transportation services excepted).	>\$100,000	>\$100,000 (also ferries).	
Copeland Anti-Kickback Act Section 1 Section 2	Pg. 19				All > \$2,000 (also ferries).	
Bonding	Pg. 17				\$100,000	
Seismic Safety	Pg. 18	A&E for new buildings & additions.			New buildings & additions.	
Transit Employee Protective Arrangements	Pg. 16		Transit operations.			
Customer Service Operations	Pg. 16		All			
School Bus Operations	Pg. 17		All			
Drug Use and Testing	Pg. 16		Transit operations.			
Alcohol Misuse and Testing	Pg. 16		Transit operations.			
Patent Rights	Pg. 20	R & D				
Rights in Data and Copyrights	Pg. 21	R & D				
Energy Conservation	Pg. 6	All	All	All	All	All
Recycled Products	Pg. 14		EPA-selected items \$10,000 or more annually.		EPA-selected items \$10,000 or more annually.	EPA-selected items \$10,000 or more annually.
Conformance with ITS National Architecture	Pg. 15	ITS projects.	ITS projects.	ITS projects.	ITS projects.	ITS projects.
ADA Access	Pg. 12	A&E	All	All	All	All
Notification of Federal Participation for States	Pg. 6	Limited to States.	Limited to States.	Limited to States.	Limited to States.	Limited to States.

THIRD PARTY CONTRACTING GUIDANCE

APPLICABILITY

1. LEGAL EFFECT OF THE CIRCULAR. The Federal Transit Administration (FTA) has developed this circular to assist its recipients and their subrecipients in complying with the various Federal laws and regulations that affect their FTA assisted procurements. FTA considers this circular, in its entirety, to be a guidance document. While this guidance itself does not have the force and effect of Federal law or regulation, it does contain information about Federal laws and regulations for which compliance is mandatory when applicable.

As guidance, this circular attempts to describe how a recipient or subrecipient of FTA assistance can comply with those Federal requirements. In some cases, this guidance describes the single method by which an FTA recipient or subrecipient can comply with a specific Federal legal or regulatory requirement. In other cases, Federal laws, regulations, and this guidance provide more flexibility. As guidance, this circular also expresses FTA's preferences about how the procurements it supports should be undertaken. FTA's Master Agreement reflects FTA and the recipient's agreement that FTA's third party contracting circular will apply to its third party contracts. As a guidance document, this circular does not waive any requirements of Federal statutes or regulations restated herein except as permitted by their terms.

Because this circular is guidance, FTA is willing to consider methods of compliance with Federal laws and regulations other than those described therein. If a recipient identifies an alternative method for complying with an applicable Federal statute and regulation, it may contact FTA before employing that method to ensure that FTA agrees with the alternative proposed. While FTA's prior concurrence is not required, FTA reserves the right to decline to participate in the costs of third party procurements that fail to comply with Federal laws, regulations, or the terms of the recipient's underlying grant or cooperative agreement.

2. APPLICABILITY OF THE CIRCULAR. Unless FTA determines otherwise in writing, this guidance applies when the recipient uses FTA assistance to support its procurements.
 - a. Participants in FTA Assisted Procurements. Whether and how the circular applies to a specific participant in an FTA assisted project depends on its relationship to the particular FTA assisted procurement:
 - (1) Recipients of FTA Grants or Cooperative Agreements. The circular applies to each FTA recipient of Federal assistance, including each grantee and recipient of Federal assistance under a cooperative agreement or an "other agreement" (whether an individual entity or member of a consortium, joint venture, team, or partnership) when it uses FTA assistance for third party contracts. The extent to which the provisions of this circular apply to a recipient depends on whether the recipient is a State or other than a State.

- (a) States. When procuring property and services under a grant or cooperative agreement, a State may use the same procurement policies and procedures that it uses for acquisitions not financed with Federal assistance. At a minimum, the State must comply with the federally mandated requirements on contract term limitations for revenue vehicle purchases, competition, prohibitions against geographic preferences, procurement of architectural engineering (A&E) services, and awards to responsible contractors. The State must also ensure that each purchase order and contract financed with FTA assistance includes all provisions required by Federal statutes and their implementing regulations.
- 1 Governmental Subrecipients of the State. Each State and its governmental subrecipients may use State procurement procedures for their third party contracts. Only those provisions of this circular and the sections of the Common Grant Rule for governmental recipients, 49 CFR Part 18, applicable to the State will apply to procurements by the State's governmental subrecipients.
 - 2 Private Non-Profit Subrecipients of the State. In contrast, the provisions of this circular and the Common Grant Rule for non-governmental recipients, 49 CFR Part 19, will apply to a private non-profit subrecipient of a State.
- (b) Recipients and Subrecipients that are not States. This circular applies to third party contractors and subcontractors of all other FTA recipients and their subrecipients, including regional public transportation authorities, that are not a State. Even though a recipient or subrecipient is not a State, it may use its own procurement procedures, if those procedures conform to applicable Federal law and regulations, including the applicable Common Grant Rule.
- (2) Subrecipients of FTA Assistance. This circular also applies to each subrecipient, including each subgrantee (a type of subrecipient), under an FTA grant or cooperative agreement) that enters into contracts with other parties financed with FTA assistance.
 - (3) Recipients of Both Federal Assistance Awarded by FTA and Funds Provided by Another Federal Agency. An FTA recipient that also uses funding provided by another Federal agency or agencies for a third party procurement also supported with FTA assistance must comply with the third party contracting requirements of both FTA and each additional Federal agency providing Federal assistance. If compliance with all Federal requirements is impossible, the recipient should notify the FTA Chief Counsel for resolution. If an FTA recipient finances an acquisition with funding provided by another Federal agency but not with FTA assistance, this circular would not apply to that procurement.
 - (4) Recipients of "Other Agreement" Assistance. For "other agreements" authorized by 49 U.S.C. Section 5312(a) for research, development, demonstration, and deployment projects or by 49 U.S.C. Section 5312(b) for joint partnership projects for the deployment of public transportation innovation, this circular may be used

as an initial starting point from which to consider the Federal requirements and other provisions that should be adopted for the project, and the other standard Federal requirements that should be modified or waived to achieve FTA's and the recipient's objectives.

- (5) Third Party Contractors and Subcontractors.
- (a) Status. Neither third party contractors nor third party subcontractors are "recipients" or "subrecipients" for purposes of this circular. Consequently, third party contractors are not directly covered by this circular, the Common Grant Rules at 49 CFR Parts 18 and 19, or FTA's "Best Practices Procurement Manual" (BPPM) in awarding their subcontracts.
 - (b) Effect of Federal Requirements. However, each third party contractor and subcontractor is required to comply with the terms of its third party contract or subcontract, including requirements to extend those federally required clauses and provisions to its subcontractors at the lowest tier required. For that reason, this circular, the Common Grant Rules at 49 CFR Parts 18 and 19, and the BPPM do provide useful information to a third party contractor and third party subcontractor about the constraints under which a recipient may enter into a third party contract financed with FTA assistance.
- (6) Environmental and Energy Efficiency Preferences. A preference, to the extent practicable and economically feasible, for products and services that conserve natural resources, protect the environment, and are energy efficient (discussed further in Chapter IV of this circular).
- (7) Access to Records. Apart from the more limited record access provisions of the Common Grant Rules, 49 U.S.C. Section 5325(g) provides FTA and DOT officials, the U.S. Comptroller General, or any of their representatives, access to and the right to examine and inspect all records, documents, and papers, including contracts, related to any FTA project financed with Federal assistance authorized by 49 U.S.C. Chapter 53.
- b. Special Notification Requirements for States. For many years, various Federal appropriations laws imposed notification requirements on all recipients of Federal assistance awards exceeding \$500,000. Currently, notification requirements have been limited to States, but the \$500,000 threshold has been removed. Therefore, each State must include provisions in all its requests for proposals, solicitations, Federal assistance applications, forms, notifications, press releases, or other publications involving FTA assistance, stating that FTA is or will be providing Federal assistance for the project, the amount of Federal assistance FTA has provided or expects to provide, and the Catalog of Federal Domestic Assistance (CFDA) Number of the program that authorizes the Federal assistance. FTA interprets the statute to require that subrecipients, lessees, or third party contractors of the State at any tier also comply with those notification requirements. Because appropriations laws expire annually and these provisions have not been enacted as permanent legislation or even appear consistently in the same appropriations acts, it is necessary to review the various Federal appropriations acts for the applicable fiscal year to determine the required level of

notification. FTA's Master Agreement incorporates the notification requirements in effect when that Master Agreement is issued.

3. FRAUD. As a reminder, 49 U.S.C. Section 5323(l) extends the criminal fraud provisions of 18 U.S.C. Section 1001 to all certificates, submissions, or statements made in connection with any program financed under the Federal transit program. In addition, the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. Sections 3801 *et seq.*, and DOT regulations, "Program Fraud Civil Remedies," 49 CFR Part 31, apply to any false or fraudulent statement or claim made under the Federal transit program.
4. Debarment and Suspension. Debarment and suspension regulations and guidance include the following:
 - (a) DOT Debarment and Suspension Regulations. Department of Transportation (DOT) regulations, "Nonprocurement Suspension and Debarment," 2 CFR Part 1200 apply to each third party contract at any tier of \$25,000 or more, to each third party contract at any tier for a federally required audit (irrespective of the contract amount), and to each third party contract at any tier that must be approved by an FTA official irrespective of the contract amount. *See*, 2 CFR Part 1200. Thus, the recipient must apply DOT's debarment and suspension requirements to itself and each third party contractor at every tier to the extent required by DOT's regulations that incorporate the requirements of Office of Management and Budget (OMB), "Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," 2 CFR Part 180.
 - (b) General Services Administration (GSA) Excluded Parties List System. Even though the recipient may collect a debarment and suspension certification from the prospective third party contractor, or include a clause in the third party contract requiring disclosure, FTA strongly recommends that the recipient check the Excluded Parties List System (EPLS) maintained by the GSA and available at the Web site it maintains: <http://www.epls.gov/> before awarding a third party contract.
 - (c) State Debarment and Suspension Lists. A recipient may also treat any prospective contractor or subcontractor listed on a centralized State government debarment and suspension list as nonresponsible and ineligible for contract award.
- (2) Conflict of Interest. The Common Grant Rules require the recipient to be aware of conflict of interest issues a prospective contractor might have, including lack of impartiality, impaired objectivity, or unfair competitive advantage, as discussed more fully in Chapter VI, paragraph 2.a(4)(h).
- (3) Lobbying Certification and Disclosure. If the third party contract will exceed \$100,000, the recipient must obtain a lobbying certification before awarding the contract, and if applicable, a lobbying disclosure from a prospective third party contractor. *See*, DOT regulations, "New Restrictions on Lobbying"

49 CFR Part 20, modified as necessary by 31 U.S.C. Section 1352, which implement the Byrd "Anti-Lobbying" Amendment, 31 U.S.C. Section 1352.

- (4) Federal Civil Rights Laws and Regulations. Each FTA recipient has agreed that it and its third party contractors at each tier will comply with:
- (a) Federal Equal Employment Opportunity (EEO) Requirements. These include, but are not limited to:
- 1 Nondiscrimination in Federal Public Transportation Programs. 49 U.S.C. Section 5332, covering projects, programs, and activities financed under 49 U.S.C. Chapter 53 prohibits discrimination on the basis of race, color, creed, national origin, sex, or age, and prohibits discrimination in employment or business opportunity.
 - 2 Prohibition Against Employment Discrimination. Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000e, and Executive Order No. 11246, "Equal Employment Opportunity," September 24, 1965, as amended by Executive Order No. 11375, October 13, 1967, that prohibit discrimination in employment on the basis of race, color, religion, sex, or national origin.
- (b) Nondiscrimination on the Basis of Sex. Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. Sections 1681 *et seq.* and implementing Federal regulations, "Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance," 49 CFR Part 25 prohibit discrimination on the basis of sex.
- (c) Nondiscrimination on the Basis of Age. The "Age Discrimination Act of 1974, as amended, 42 U.S.C. Sections 6101 *et seq.*, and Department of Health and Human Services implementing regulations, "Nondiscrimination on the Basis of Age in Programs or Activities Receiving Federal Financial Assistance, 45 CFR Part 90, prohibit discrimination by participants in federally assisted programs against individuals on the basis of age. The Age Discrimination in Employment Act (ADEA), 29 U.S.C. Sections 621 *et seq.*, and Equal Employment Opportunity Commission (EEOC) implementing regulations, "Age Discrimination in Employment Act," 29 CFR Part 1625, also prohibit employment discrimination against individuals on the basis of age.
- (d) Federal Protections for Individuals with Disabilities. The Americans with Disabilities Act of 1990, as amended (ADA), 42 U.S.C. Sections 12101 *et seq.*, prohibits discrimination against qualified individuals with disabilities in programs, activities, and services, and imposes specific requirements on public and private public and private entities. Third party contractors must comply with their responsibilities under Titles I, II, III, IV, and V of the ADA in employment, public services, public accommodations, telecommunications, and other provisions, many of which are subject to regulations issued by other Federal agencies.

- (5) Socio-Economic Development. Each FTA recipient must comply with applicable Federal laws and regulations that provide competitive opportunities for a contractor that qualifies as a disadvantaged business enterprise (DBE), minority owned firm, women's business enterprise, or small business.
- (a) Disadvantaged Business Enterprises (DBES). Section 451 of the "Hiring Incentives to Restore Employment Act" (HIRE Act), Pub. L. 111-147, Title IV, § 451, March 18, 2010, 23 U.S.C. Section 101 note, extends the Federal statutory provisions of Section 1101(b) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, as amended (SAFETEA-LU), to require FTA to make available at least 10 percent of its funding under that Act for contracts with small business concerns owned and controlled by socially and economically disadvantaged people. Each FTA recipient assists FTA in meeting this national goal. To receive FTA assistance, each FTA recipient must comply with applicable requirements of DOT regulations, "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs," 49 CFR Part 26. If the recipient is required to have a DBE program, the third party contracts that the recipient has included in its DBE program determine whether the recipient meets the DBE threshold for goal setting, and the goal if the threshold is met.
- (6) Protections Against Performance Difficulties. The Common Grant Rule for governmental recipients authorizes FTA to require each governmental recipient to include contract provisions that would reduce potential problems that might occur during contract performance. In addition to other clauses that may be approved by the Office of Federal Procurement Policy, FTA expects the governmental recipient to include provisions as described below:
- (a) Changes. FTA expects a governmental recipient to include changes and changed conditions provisions or clauses in most contracts, except for routine supply contracts.
- (b) Remedies. The Common Grant Rule for governmental recipients authorizes FTA to require remedies. Accordingly, FTA expectations are as follows:
- 1 Liquidated Damages. FTA has determined that a recipient may use liquidated damages if the recipient reasonably expects to suffer damages through delayed contract completion, or if weight requirements are exceeded, and the extent or amount of such damages are uncertain and would be difficult or impossible to determine. The rate and measurement standards must be calculated to reasonably reflect the recipient's costs should the standards not be met, and must be specified in the solicitation and contract. The assessment for damages is often established at a specific rate per day for each day beyond the contract's delivery date or performance period. A measurement other than a day or another period of time, however, may be established if that measurement is appropriate, such as weight requirements in a rolling stock purchase. The procurement file should include a record of the calculation and rationale for the amount

of damages established. Any liquidated damages recovered must be credited to the project account involved unless FTA permits otherwise. We also refer you to Chapter V, paragraph 5(a)(1) for a discussion of how liquidated damages can be used to encourage settlements.

- 2 Violation or Breach. Third party contracts exceeding \$100,000 must include administrative, contractual, or legal remedies for violations or breach of the contract by the third party contractor.
- 3 Suspension of Work. FTA may require provisions pertaining to suspension of work.
- 4 Termination. Termination for cause and termination for convenience provisions must be included in contracts exceeding \$10,000.

The Common Grant Rule for non-governmental recipients requires administrative, contractual, or legal contract remedies in instances in which a contractor violates or breaches terms of a contract that exceeds the small purchase threshold, which FTA recognizes as the simplified acquisition threshold. *See*, Chapter II, Subsection 3.b. The Common Grant Rule for non-governmental recipients also requires termination clauses for non-governmental recipients when procurements exceed the small purchase threshold, which FTA recognizes as the simplified acquisition threshold. *See*, Chapter II, Subsection 3.b. FTA strongly encourages care in developing appropriate performance remedies in all third party contracts.

- b. Socio-Economic Requirements for the Acquisition of Property and Services. The following Federal laws and regulations imposing socio-economic requirements may affect a specific procurement:
 - (1) Labor. The following Federal labor protection laws and regulations may affect the types of property and services that may be acquired with FTA assistance:
 - (a) Wage and Hour Requirements. The Common Grant Rules direct the recipient to include provisions in its third party contracts requiring the contractor to compute the wages of every mechanic and laborer based on a standard workweek of 40 hours. Work in excess of the standard workweek is permitted if the worker is compensated at a rate of not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in the workweek. The Common Grant Rules require these provisions for compliance with Sections 102 of the Contract Work Hours and Safety Standards Act, 40 U.S.C. Section 3702, and Department of Labor (DOL) regulations, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction (also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act)," 29 CFR Part 5. Section 4104(c) of the Federal Acquisition Streamlining Act of 1994, 40 U.S.C. Section 3701(b)(3)(A)(iii), increased the wage and hour thresholds of \$2,000 for construction work and \$2,500 for nonconstruction work set forth in the

Common Grant Rules to \$100,000. A federally assisted contract must exceed \$100,000 before these wage and hour requirements apply to that contract.

- (b) Fair Labor Standards. The Fair Labor Standards Act, 29 U.S.C. Sections 201 *et seq.*, applies to employees performing work involving commerce.
- (2) Civil Rights. The following Federal civil rights laws and regulations may affect the types of property and services that may be acquired with FTA assistance:
- (a) Nondiscrimination in Federal Public Transportation Programs. Federal transit law at 49 U.S.C. Section 5332, covering projects, programs, and activities financed under 49 U.S.C. Chapter 53 prohibits discrimination on the basis of race, color, creed, national origin, sex, or age, and prohibits discrimination in employment or business opportunity.
- (b) Title VI of the Civil Rights Act. In determining the types of property or services to acquire, no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity receiving Federal financial assistance in violation of Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. Sections 2000d *et seq.* and DOT regulations, "Nondiscrimination in Federally Assisted Programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964," 49 CFR Part 21. In addition, FTA Circular 4702.1, "Title VI and Title VI-Dependent Guidelines for FTA Recipients," 05-13-07, provides FTA guidance and instructions for implementing DOT's Title VI0020 regulations.
- (c) Environmental Justice. Executive Order No. 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations," February 11, 1994, 42 U.S.C. Section 4321 note, and DOT Order 5610.2, "Department of Transportation (DOT) Order To Address Environmental Justice in Minority Populations and Low-Income Populations," 62 FR 18377, April 15, 1997, protect minority populations and low-income populations against disproportionately high and adverse effects of federally assisted programs. FTA Circular 4702.1, "Title VI and Title VI-Dependent Guidelines for FTA Recipients," 05-13-07, also provides FTA guidance and instructions for implementing the DOT Order on Environmental Justice.
- (d) Limited English Proficiency (LEP). Executive Order No. 13166, "Improving Access to Services for Persons with Limited English Proficiency," August 11, 2000, 42 U.S.C. Section 2000d-1 note, and DOT, "Policy Guidance Concerning Recipients' Responsibilities to Limited English Proficient (LEP) Persons," December 14, 2005, clarifies the responsibilities of recipients of Federal financial assistance from DOT and assists them in fulfilling their responsibilities to LEP persons, pursuant to Title VI of the Civil Rights Act of 1964 and implementing regulations. FTA Circular 4702.1, "Title VI and Title VI-Dependent Guidelines for FTA Recipients," 05-13-07,

also provides FTA guidance and instructions for implementing the DOT Policy Guidance.

- (e) Nondiscrimination on the Basis of Disability. The recipient agrees to comply, and assures the compliance of each third party contractor and each subrecipient at any tier of the project, with the applicable laws and regulations, discussed below, for nondiscrimination on the basis of disability.
- 1 Section 504 of the Rehabilitation Act of 1973, as amended (Section 504), 29 U.S.C. Section 794, prohibits discrimination on the basis of disability by recipients of Federal financial assistance.
 - 2 The Americans with Disabilities Act of 1990, as amended (ADA), 42 U.S.C. Sections 12101 *et seq.*, prohibits discrimination against qualified individuals with disabilities in all programs, activities, and services of public entities, as well as imposes specific requirements on public and private providers of transportation.
 - 3 DOT Public Transportation Regulations implementing Section 504 and the ADA. These regulations include DOT regulations, “Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance,” 49 CFR Part 27, DOT regulations, “Transportation Services for Individuals with Disabilities (ADA),” 49 CFR Part 37, and Joint Architectural and Transportation Barriers Compliance Board (ATBCB)/DOT regulations, “Americans With Disabilities (ADA) Accessibility Specifications for Transportation Vehicles,” 36 CFR Part 1192 and 49 CFR Part 38. Examples of requirements include, but are not limited to, the following:
 - a Design and Construction. Accessibility requirements for the design and construction of new transportation facilities;
 - b Accessibility and Usability. Requirements that vehicles acquired (with limited exceptions) be accessible to and usable by individuals with disabilities, including individuals using wheelchairs;
 - c Complementary Paratransit Service. Requirements that public entities providing fixed-route service, (including a private non-profit entity providing public transportation service on behalf of the State or designated recipient as a subrecipient providing fixed-route service), provide complementary paratransit service to individuals with disabilities who cannot use the fixed-route service;
 - d Equal Opportunity. Requirements for compliance with service requirements intended to ensure that individuals with disabilities are afforded equal opportunity to use transportation systems and services.

- (3) Environmental Protections. Federal laws and regulations require the recipient to comply with applicable environmental requirements and implement them as necessary through third party contracts.
- (a) Environmental Mitigation. FTA expects the recipient to include adequate third party contract provisions to facilitate compliance with environmental mitigation measures it has agreed to implement.
- (b) National Environmental Policy Act. Certain acquisitions and the timing of certain acquisitions can adversely affect the environmental review process for a project constituting a major Federal action, and may result in a violation of the National Environmental Policy Act (NEPA), 42 U.S.C. Sections 4321 through 4335, and joint FHWA/FTA regulations, "Environmental Impact and Related Procedures," 23 C.F.R. Part 771 and 49 C.F.R. Part 622.
- 1 Property. The recipient may not enter into binding arrangements for the acquisition of property that may or would affect environmental impact determinations with respect to the underlying project or otherwise interfere with any required environmental impact reviews until applicable environmental impact determinations have been made.
- 2 Services. Council on Environmental Quality regulations, "Other Requirements of NEPA," 40 CFR Part 1506, at Section 1506.5(c), require the recipient to obtain a disclosure statement from the contractor selected to prepare an environmental impact statement specifying that the contractor has no financial or other interest in the outcome of the project.
- (c) Parks, Recreation Areas, Wildlife and Waterfowl Refuges, and Historic Sites. DOT's enabling legislation has special requirements designed to protect publicly owned parks, recreation areas, wildlife and waterfowl refuges, and historic sites, at 49 U.S.C. Sections 303(b) and 303(c) (often referred to as "Section 4(f)"), that may affect the timing and methods of recipient procurements. The Federal Highway Administration (FHWA) and FTA have published implementing regulations, "Parks, Recreation Areas, Wildlife and Waterfowl Refuges, and Historic Sites," 23 CFR Parts 771 and 774, and 49 CFR Part 622.
- (d) Clean Air. The Common Grant Rules specifically prohibit the use of facilities included in the Environmental Protection Agency (EPA) "List of Violating Facilities," in the performance of any third party contract at any tier exceeding \$100,000. The contractor must also comply with all applicable standards, orders, or regulations issued under Section 306 of the Clean Air Act, as amended, 42 U.S.C. Section 7414, and other applicable provisions of the Clean Air Act, as amended, 42 U.S.C. Sections 7401 through 7671q.
- (e) Clean Water. The Common Grant Rules specifically prohibit the use of facilities included in the EPA "List of Violating Facilities," in the performance of any third party contract at any tier exceeding \$100,000. The contractor must also comply with all applicable standards, orders, or

regulations issued under Section 508 of the Clean Water Act, as amended, 33 U.S.C. Section 1368, and other applicable requirements of the Clean Water Act, as amended, 33 U.S.C. Sections 1251 through 1377.

- (f) Recycled Products. The Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6962, requires governmental recipients to provide a competitive preference to products and services that conserve natural resources, protect the environment, and are energy efficient. EPA guidelines, "Comprehensive Procurement Guideline for Products Containing Recovered Materials," 40 CFR Part 247, direct that third party contracts of \$10,000 or more with governmental recipients specify a competitive preference for products containing recycled materials identified in those EPA guidelines. For information about EPA's recovered materials advisory notices, see EPA's Web site: <http://www.epa.gov/cpg/backgrnd.htm>.
- (g) Other Federal Environmental Protection Requirements. Additional third party contract provisions may be needed for compliance with other Federal laws and regulations. FTA's Master Agreement includes environmental laws and regulations that may affect the acquisition of property or services with FTA assistance such as various provisions to protect wild and scenic rivers, manage coastal zones, protect wetlands, conserve endangered species, and protect fisheries, archeological sites, and Indian sacred sites.
- (4) Energy Conservation. The Common Grant Rules require third party contract provisions as necessary for compliance with applicable energy efficiency standards and policies of State energy conservation plans issued under the Energy Policy and Conservation Act, as amended, 42 U.S.C. Sections 6321 *et seq.*
- (5) Preference for U.S. Property—Buy America. FTA's "Buy America" law and regulations apply to projects that involve the purchase of more than \$100,000 of iron, steel, manufactured goods, or rolling stock to be delivered to the recipient to be used in the FTA assisted project. If FTA funds are used for the project, Buy America requirements apply to all procurement contracts under the project irrespective of whether a recipient decides to fund a discrete part of the project without FTA funds. Only if an activity is outside the FTA project and is financed entirely without funds to which FTA's Buy America regulations would apply may the recipient disregard FTA's Buy America requirements. Property that the contractor acquires to fabricate a deliverable for the recipient, such as tools, machinery, and other equipment or facilities, is not subject to FTA's Buy America requirements unless the recipient intends to take possession of that property upon completion of the project. Thus, if a third party contractor is acquiring property for its general inventory of equipment or facilities to conduct its overall business affairs, the recipient may enter the cost of that acquisition into its calculations of overhead amounts applicable to the FTA assisted project irrespective of whether the property acquired would comply with FTA's Buy America regulations. FTA's Buy America statute does not pre-empt State laws with stricter requirements on the use of foreign articles, materials, and supplies.

FTA cautions that its Buy America regulations that apply to FTA assisted third party procurements, published at 49 CFR Part 661, differ from Federal "Buy American Act" regulations that apply to direct Federal procurements, published in the FAR at 48 CFR Chapter 1, Subparts 25.1 and 25.2. FTA strongly recommends that the recipient review FTA's Buy America regulations before undertaking any FTA assisted procurement.

(6) Shipments of Property—U.S. Flag Requirements.

(a) Shipments by Ocean Vessel. The Common Grant Rules require third party contract provisions to ensure compliance with 46 U.S.C. Section 55303 and Maritime Administration regulations, "Cargo Preference-U.S. Flag Vessels," 46 CFR Part 381, implementing the codified Cargo Preference Act. With few exceptions, the regulations require that U.S. Flag vessels be used to transport at least 50 percent of any federally assisted property.

(b) Shipments by Air Carrier. Third party contracts involving shipments of federally assisted property by air carrier will require provisions to ensure compliance with Section 5 of the International Air Transportation Fair Competitive Practices Act of 1974, as amended ("Fly America" Act), 49 U.S.C. Section 40118, and GSA regulations, "Use of United States Flag Air Carriers," 41 CFR Sections 301-10.131 through 301-10.143. The regulations require shipment by U.S. flag air carriers unless such carriers are not reasonably available within the standards of GSA's implementing regulations.

(7) Project Travel—Use of U.S. Flag Air Carriers. Third party contracts to acquire transportation by air carrier needed by people participating in a federally assisted project require provisions to ensure compliance with Section 5 of the International Air Transportation Fair Competitive Practices Act of 1974, as amended ("Fly America" Act), 49 U.S.C. Section 40118, and GSA regulations, "Use of United States Flag Air Carriers," 41 CFR Sections 301-10.131 through 301-10.143. The regulations require transportation by U.S. flag air carriers unless U.S. flag air carriers are not reasonably available within the standards of the GSA's implementing regulations.

c. Technical Restrictions on the Acquisition of Property and Services. The following Federal laws and regulations imposing technical requirements may affect a specific procurement:

(1) Intelligent Transportation Systems. Intelligent transportation system (ITS) property and services must comply with the National ITS Architecture and Standards to the extent required by Section 5307(c) of SAFETEA-LU, FTA Notice, "FTA National ITS Architecture Policy on Transit Projects," 66 FR 1455 *et seq.*, January 8, 2001, and later published policies or implementing directives FTA may issue. Consequently, third party contracts involving ITS are likely to require provisions to ensure compliance with Federal requirements.

d. Public Transportation Services—Special Requirements. Although the Common Grant Rules refer to the following Federal requirements in the context of federally assisted procurements, these requirements will affect how a third party contractor implements its contract to provide public transportation services financed with Federal assistance. Consequently, the recipient must include provisions in its third party contract ensuring compliance with the following requirements, or the recipient must obtain the third party contractor's agreement in another form, as a matter of contractor responsibility, to ensure compliance with the following:

(1) Protections for Public Transportation Employees. When the recipient acquires public transportation services from a third party contractor, the terms of the recipient's DOL certification of public transportation employee protective arrangements will apply to work under the contract provided by those employees covered by the certification. That certification is required by 49 U.S.C. Section 5333(b) (often referred to as "13(c)") and implementing DOL guidelines, "Section 5333(b), Federal Transit Law," 29 CFR Part 215. Consequently, the third party contractor must comply with the terms of that DOL certification.

The Fair Labor Standards Act, 29 U.S.C. Sections 201 *et seq.*, also applies to public transportation employees performing work involving commerce.

(2) Drug Use and Testing and Alcohol Misuse and Testing. A third party contractor providing services involving the performance of safety sensitive activities must comply with 49 U.S.C. Section 5331 and FTA regulations, "Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations," 49 CFR Part 655.

(3) Accessibility. A third party contractor providing public transportation services must operate its services in compliance with 42 U.S.C. Sections 12101 *et seq.*; DOT regulations, "Transportation Services for Individuals with Disabilities (ADA)" using facilities and equipment that comply with 49 CFR Part 37; and Joint ATBCB/DOT regulations, "Americans with Disabilities (ADA) Accessibility Specifications for Transportation Vehicles," 36 CFR Part 1192 and 49 CFR Part 38. Private entities must comply with the requirements of 49 CFR Part 37 applicable to public entities with which they contract to provide public transportation services. The recipient should advise its third party contractors operating public transportation services to review the requirements for public entities in this context.

(4) Protection of Animals. A third party contractor providing services involving the use of animals must comply with the Animal Welfare Act, 7 U.S.C. Sections 2131 *et seq.* and Department of Agriculture regulations, "Animal Welfare," 9 CFR Subchapter A, Parts 1, 2, 3, and 4.

(5) Charter Service Restrictions. A third party contractor performing services using FTA assisted facilities or equipment may not use those facilities or that equipment to support any charter service operations except as permitted by 49 U.S.C. Section 5323(d) and FTA regulations, "Charter Service," 49 CFR Part 604.

- (6) School Bus Restrictions. A third party contractor performing services using FTA assisted facilities or equipment may not use those facilities or that equipment to support exclusive school bus operations except as permitted by 49 U.S.C. Sections 5323(f) or (g) and FTA regulations, "School Bus Operations," 49 CFR Part 605, to the extent consistent with 49 U.S.C. Sections 5323(f) or (g).
- e. Construction—Special Requirements. The following Federal laws and regulations impose requirements that may affect FTA assisted construction projects:
- (1) Bonding. The Common Grant Rules require bonds for all construction contracts exceeding the simplified acquisition threshold (*see*, Chapter II, Subsection 3.b) unless FTA determines that other arrangements adequately protect the Federal interest. FTA's bonding policies are as follows:
- (a) Bid Guarantee. Both FTA and the Common Grant Rules generally require each bidder to provide a bid guarantee equivalent to 5 percent of its bid price. The "bid guarantee" must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid to ensure that the bidder will honor its bid upon acceptance.
- (b) Performance Bond. Both FTA and the Common Grant Rules generally require the third party contractor to obtain a performance bond for 100 percent of the contract price. A "performance bond" is obtained to ensure completion of the obligations under the third party contract.
- (c) Payment Bond. The Common Grant Rules generally require the third party contractor to obtain a standard payment bond for 100 percent of the contract price. A "payment bond" is obtained to ensure that the contractor will pay all people supplying labor and material for the third party contract as required by law. FTA, however, has determined that payment bonds in the following amounts are adequate to protect FTA's interest and will accept a local bonding policy that meets the following minimums:
- 1 Less Than \$1 Million. Fifty percent of the contract price if the contract price is not more than \$1 million,
 - 2 More Than \$1 Million but Less Than \$5 Million. Forty percent of the contract price if the contract price is more than \$1 million but not more than \$5 million, or
 - 3 More Than \$5 Million. Two and one half million dollars if the contract price is more than \$5 million.
- (d) Acceptable Sureties. The Common Grant Rule for non-governmental recipients requires the non-governmental recipient to obtain construction bonds from companies holding certificates of authority as acceptable sureties under Department of the Treasury regulations, "Surety Companies Doing Business with the United States," 31 CFR Part 223. For a current list of approved sureties, see Department of the Treasury's Listing of Approved Sureties (Department Circular 570), <http://fms.treas.gov/c570/c570.html>.

FTA encourages each governmental recipient to require similarly acceptable sureties.

- (e) Reduced Bonding. FTA recognizes that bonding costs can be expensive. FTA will accept a local bonding policy that conforms to the minimums described in this subparagraph 2.h(1) of this Chapter. FTA reserves the right to approve bonding amounts that do not conform to these minimums if the local bonding policy adequately protects the Federal interest. A recipient that wishes to adopt less stringent bonding requirements, for a specific class of projects, or for a particular project should submit its policy and rationale to the Regional Administrator for the region administering the project.
 - (f) Excessive Bonding. Compliance with State and local bonding policies that are greater than FTA's bonding requirements do not require FTA approval. FTA recognizes that in some situations bond requirements can be useful if the recipient has a material risk of loss because of a failure of the prospective contractor. This is particularly so if the risk results from the likelihood of the contractor's bankruptcy or financial failure when the work is partially completed. Nevertheless, if the recipient's "excessive bonding" requirements would violate the Common Grant Rules as restrictive of competition, FTA will not provide Federal assistance for procurements encumbered by those requirements. Consequently, if the recipient's bonding policies far exceed those described in this subsection, FTA reminds the recipient that it may find it useful to submit its policy and rationale to the Regional Administrator for the region administering the project.
- (2) Seismic Safety. The recipient must include seismic safety provisions in its third party contracts for the construction of new buildings or additions to existing buildings as required by 42 U.S.C. Sections 7701 *et seq.*, and DOT regulations, "Seismic Safety," 49 CFR Part 41 at Sections 41.117 and 41.120, implementing the Earthquake Hazards Reduction Act of 1977, as amended, 42 U.S.C. Sections 7701 *et seq.*
 - (3) Equal Employment Opportunity. The Common Grant Rules require that third party construction contracts include provisions ensuring compliance with DOL regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 CFR Chapter 60, which implement Executive Order No. 11246, "Equal Employment Opportunity," September 24, 1965, as amended by Executive Order No. 11375, "Amending Executive Order No. 11246 Relating to Equal Employment Opportunity," October 13, 1967.
 - (4) Prevailing Wages. Under 49 U.S.C. Section 5333(a), Davis-Bacon Act prevailing wage protections apply to laborers and mechanics employed on FTA assisted construction, alteration, or repair projects. The Common Grant Rules require third party contracts for construction, alteration, or repair at any contract tier exceeding \$2,000 to include provisions requiring compliance with the Davis-Bacon Act, 40 U.S.C. Sections 3141 *et seq.*, and implementing DOL regulations "Labor

Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction,” 29 CFR Part 5. The Davis-Bacon Act requires that contractors pay wages to laborers and mechanics at a rate not less than the minimum wages specified in the wage determination made by the Secretary of Labor. The Davis-Bacon Act also requires contractors to pay wages not less than once a week. The recipient must include a copy of the current prevailing wage determination issued by DOL in each contract solicitation and must condition contract award upon the acceptance of that wage determination. These requirements are in addition to the separate Wage and Hour Requirements addressed in paragraph 2.c(1) of this Chapter IV.

- (5) Anti-Kickback. Section 1 of the Copeland “Anti-Kickback” Act, at 18 U.S.C. Section 874, prohibits anyone from inducing, by any means, any person employed on construction, prosecution, completion, or repair of a federally assisted building or work, to give up any part of his or her compensation to which he or she is otherwise entitled. Section 2 of that Act, at 40 U.S.C. Section 3145, as amended, and implementing DOL regulations, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in part by Loans or Grants from the United States,” 29 CFR Part 3, impose record keeping requirement on all third party contracts for construction, alteration, or repair exceeding \$2,000. The Common Grant Rules also require provisions for compliance with the Copeland “Anti-Kickback” Act, as amended, and implementing DOL regulations.
- (6) Construction Safety. The Common Grant Rules require provisions to ensure safety at construction sites so that no laborer or mechanic shall be required to work in surroundings or under working conditions that are unsanitary, hazardous, or dangerous as prohibited by the safety requirements of Section 107 of the Contract Work Hours and Safety Standards Act, 40 U.S.C. Section 3704, and its implementing DOL regulations, “Safety and Health Regulations for Construction,” 29 CFR Part 1926. Notably, Section 4104(c) of the Federal Acquisition Streamlining Act of 1994, 40 U.S.C. Section 3701(b)(3)(A)(iii), increased the threshold for construction safety protections to \$100,000 from \$2,000 as set forth in the Common Grant Rules, so that a federally assisted construction contract must exceed \$100,000 before these construction safety requirements apply to that contract.
- (7) Labor Neutrality. Executive Order No. 13502, “Use of Project Labor Agreements for Federal Construction Projects,” February 6, 2009, rescinds Executive Order No. 13202, “Preservation of Open Competition and Government Neutrality Towards Government Contractors’ Labor Relations on Federal and Federally Funded Construction Projects,” February 17, 2001, as amended by Executive Order No. 13208, April 6, 2001, 41 U.S.C. Section 251 note. Consequently, a recipient may now require the use of a project labor agreement (PLA) in its third party contract, and a third party contractor or subcontractor may continue to use a PLA should it choose to do so.
- (8) Preference for U.S. Property—Buy America. For any FTA assisted project having third party construction contracts exceeding \$100,000, FTA’s Buy America law and regulations require the third party contractor to provide property produced or

manufactured in the United States for use in the construction project that the recipient acquires, unless FTA has granted a waiver authorized by those regulations. If FTA funds are used for the project, Buy America requirements apply to all third party procurement contracts under the project irrespective of whether a recipient decides to fund a discrete part of the project without FTA funds. Only if an activity is outside the FTA project and is financed entirely without funds to which FTA's Buy America regulations would apply may the recipient disregard FTA's Buy America requirements. FTA cautions that its Buy America regulations are complex and different from the Federal "Buy American Act" regulations in the Federal Acquisition Regulation (FAR) at 48 CFR Chapter 1, Subchapter D, Part 25, Subparts 25.1 and 25.2.

Property that the contractor acquires to perform its construction activities for the recipient, such as tools, machinery, and other equipment or facilities, is not covered by FTA's Buy America requirements unless the recipient intends to take possession of that property upon completion of the project. Thus, if a third party contractor is acquiring property for its general inventory of equipment or facilities to conduct its overall business affairs, the recipient may enter the cost of that acquisition into its calculations of overhead amounts applicable to the FTA assisted project irrespective of whether that property would comply with FTA's Buy America regulations.

- (9) Accessibility. Facilities to be used in public transportation service must comply with 42 U.S.C. Sections 12101 *et seq.*; DOT regulations, "Transportation Services for Individuals with Disabilities (ADA)," 49 CFR Part 37; and Joint ATBCBDOT regulations, "Americans with Disabilities (ADA) Accessibility Specifications for Transportation Vehicles," 36 CFR Part 1192 and 49 CFR Part 38. Notably, DOT incorporated by reference into Appendix A of its regulations at 49 CFR Part 37 the ATBCB's "Americans with Disabilities Act Accessibility Guidelines" (ADAAG), revised July 2004, which include accessibility guidelines for buildings and facilities. DOT also added specific provisions to Appendix A of 49 CFR Part 37 modifying the ADAAG, with the result that buildings and facilities must comply with both the ADAAG and the DOT amendments.
- f. Research, Development, Demonstration, Deployment, and Special Studies—Special Requirements. Procurements of research-type services can involve circumstances that bring special Federal requirements into effect. Among these are:
- (1) Patent Rights. Irrespective of the status of the recipient, subrecipient, or third party contractor (for example, a large business, small business, State government, State instrumentality, local government, Indian tribe, non-profit organization, institution of higher education, individual, and so forth) the Common Grant Rules require provisions consistent with Department of Commerce regulations, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms," 37 CFR Part 401 (implementing the Bayh-Dole Act, 35 U.S.C. Sections 200 *et seq.*), unless the Federal Government requires otherwise. Except in the case of an "other agreement" in which the Federal Government has agreed to take more limited rights, the Federal Government is entitled to a non-exclusive, royalty free

license to use the resulting invention, or patent to the invention, for Federal Government purposes.

- (2) Rights in Data. In general, FTA does not seek greater rights in data or copyright than described in the Common Grant Rules when it provides FTA capital assistance to support acquisitions. But when FTA provides Federal assistance to support the costs of a research, development, demonstration, or a special studies project, FTA generally seeks sufficient rights in the data developed so that the resulting data can be made available to any FTA recipient, subrecipient, third party contractor, or third party subcontractor. FTA's general purpose in providing Federal assistance for a research, development, demonstration, or special studies project is to increase transportation knowledge, rather than limit the benefits of the project to project participants. Therefore, unless FTA determines otherwise in writing, FTA expects the following conditions to apply to rights in data requirements for FTA assisted research, development, demonstration, or special studies projects.

(a) Publication Restrictions. Except for its own internal use, the FTA Master Agreement provides that neither the recipient nor the third party contractor may publish or reproduce subject data in whole or in part, or in any manner or form, without the advance written consent of the Federal Government, unless the Federal Government has released or approved the release of that data to the public. These restrictions do not apply to an institution of higher education.

(b) Distribution of Data. Except for contracts for adaptation of automatic data processing equipment or data provided in support of an FTA capital project, each recipient and third party contractor must agree that, in addition to the rights in data and copyrights that it must provide to FTA under the Common Grant Rules, FTA may make available to any FTA recipient, subrecipient, third party contractor, or third party subcontractor, either FTA's license in the copyright to the subject data or a copy of the subject data. If, for any reason, the project is not completed, all data developed under the project is expected to be delivered as FTA may direct.

In certain circumstances, however, FTA may determine that it is in the public interest to take only those rights in data identified in the Common Grant Rules.

- (3) Export Control. If data developed in the course of a third party contract is subject directly or indirectly to U.S. Export Control regulations, that data may not be exported to any countries or any foreign persons, without first obtaining the necessary Federal license or licenses and complying with any applicable Department of Commerce, Export Administration Regulations, 15 CFR Part 730.
- (4) Protection of Human Subjects. A third party contractor providing services involving the use of human subjects must comply with the National Research Act at 42 U.S.C. Sections 289 *et seq.*, and DOT regulations, "Protection of Human Subjects," 49 CFR Part 11.

- (5) Protection of Animals. A third party contractor providing services involving the use of animals must comply with the Animal Welfare Act, 7 U.S.C. Sections 2131 *et seq.*, and Department of Agriculture regulations, "Animal Welfare," 9 CFR Subchapter A, Parts 1, 2, 3, and 4.

PROTESTS, CHANGES AND MODIFICATIONS, DISPUTES, CLAIMS, LITIGATION, AND SETTLEMENTS

The Common Grant Rules assign responsibility to the recipient for resolving all contractual and administrative issues arising out of their third party procurements, including source evaluation and selection, including protests of awards, disputes, and claims using good administrative practices and sound business judgment. The Federal Transit Administration (FTA) also encourages the recipient to use appropriate alternative dispute resolution procedures. Neither FTA nor the Common Grant Rules relieve the recipient of any responsibility under its contracts to resolve disagreements that may arise in the course of contract formation or contract administration.

FTA is not a party to its recipients' third party contracts, and does not have any obligation to any participant in its recipients' third party contracts. In general, FTA will not substitute its judgment for that of the recipient or subrecipient unless the matter is primarily a Federal concern. Examples of "Federal concerns" include, but are not limited to, situations "where a special Federal interest is declared because of program management concerns, possible mismanagement, impropriety, waste, or fraud." Nevertheless, FTA can become involved in the recipient's administrative decisions when a recipient's protest decision is appealed to FTA, or when the recipient seeks to use FTA assistance to support the costs of settlements or other resolutions of protests, disputes, claims, or litigation.

5. DISPUTES.

- a. The Recipient's Role and Responsibilities. The Common Grant Rules charge the recipient with responsibility for evaluating and resolving third party contract disputes. If the recipient intends to request FTA's permission to use Federal assistance to support payments to a third party contractor to settle a dispute, or intends to request increased Federal assistance for that purpose, the recipient's responsibilities are as follows:

- (1) Notify FTA. FTA expects the recipient to provide the following information in connection with third party contract disputes in which it is involved:

- (a) Subjects. A list of disputes involving third party contracts and potential third party contracts that:

- 1 Have a value exceeding \$100,000,
- 2 Involve a controversial matter, irrespective of amount, or
- 3 Involve a highly publicized matter, irrespective of amount.

- (b) Details. The following information about each dispute:

- 1 A brief description of the dispute,
- 2 The basis of disagreement, and
- 3 If open, how far the dispute has proceeded, or
- 4 If resolved, the agreement or decision reached, and
- 5 Whether an appeal has been taken or is likely to be taken.

(c) When and Where. The recipient should provide this information:

- 1 In its next quarterly Milestone Progress Report, and
- 2 At its next Project Management Oversight review, if any.

Small recipients may report less frequently if no disputes are outstanding.

(d) FTA Officials to Notify. FTA also encourages the recipient to keep its FTA project manager informed about disputes with which it is involved. In particular, the recipient should contact its project manager about any unusual activity.

(2) Adequate Documentation. FTA expects the recipient to include adequate documentation in its project files of the facts, events, negotiations, applicable laws, and a legal evaluation of the likelihood of success in any potential litigation involving the dispute as may be needed to justify FTA's concurrence in any compromise or settlement, should FTA concurrence become necessary.

(3) Audit. An audit can help the recipient demonstrate that any settlement costs, if incurred, are necessary, reasonable, adequately documented, and appropriate for FTA support. The recipient should consider conducting or obtaining a formal audit to substantiate each part of a large contract dispute before entering into a settlement. The audit should be conducted in accordance with "Generally Accepted Auditing Standards" as defined by the American Institute of Certified Public Accountants. FTA also encourages the recipient to undertake an audit or similar analysis before settlement of a small dispute.

b. FTA's Role and Responsibilities. FTA generally does not become involved in negotiating the resolution of a recipient's disputes. However, FTA does reserve the right to become involved as follows:

(1) Determine Reasonableness. FTA may review the reasonableness of a negotiated settlement to determine the extent of its participation in the costs of the settlement.

(2) Review Documents. When FTA considers necessary, FTA may review the recipient's files and history pertaining to the dispute or experience under a particular grant or cooperative agreement. If the recipient has already disbursed amounts determined to be ineligible through subsequent audit or FTA review, the recipient must return those amounts to FTA, unless FTA determines otherwise.

FTA reserves the right to defer participation in settlement costs until it receives an adequate audit.

6. CLAIMS AND LITIGATION.

a. The Recipient's Role and Responsibilities. The Common Grant Rules charge the recipient with responsibility for evaluating and resolving third party contract claims and litigation resulting from a contractor's violation, default, or breach of its third party contracts with recipients of Federal assistance. The recipient is also responsible for resolving any claims and litigation the contractor may present against it. Due to FTA's financial interest in the settlement of third party contract claims and litigation, and concerns about matters with significant policy consequences to the Federal Government, FTA expects the recipient to:

(1) Notify FTA. FTA expects the recipient to provide the following information in connection with third party contract claims and litigation with which it is involved.

(a) Subjects. A list of claims and litigation involving third party contracts and potential third party contracts that:

- 1 Have a value exceeding \$100,000,
- 2 Involve a controversial matter, irrespective of amount, or
- 3 Involve a highly publicized matter, irrespective of amount.

(b) Details. The following information about each claim or lawsuit:

- 1 A brief description of the claim or litigation,
- 2 The basis of disagreement, and
- 3 If open, how far the claim or litigation has proceeded, or
- 4 If resolved, the decision or agreement reached, and
- 5 Whether an appeal has been or is likely to be taken.

(c) When and Where. The recipient should provide this information:

- 1 In its next quarterly Milestone Progress Report, and
- 2 At its next Project Management Oversight review, if any.

Small recipients may report less frequently if no claims or litigation are outstanding.

(d) FTA Officials to Notify. FTA also encourages the recipient to keep its FTA project manager informed about claims and litigation with which it is

involved. In particular, the recipient should contact its project manager about any unusual activity.

- (2) Legal Rights and Remedies. In resolving third party contract claims, FTA expects the recipient to take reasonable measures to pursue its rights and remedies available under law, including settlement, particularly if failure to do so would jeopardize the Federal interest in the project or cause the recipient to seek additional Federal assistance.
- b. FTA's Role and Responsibilities. In support of its financial interest in the settlement of claims and litigation involving any federally assisted third party contracts, FTA has retained its discretion to assert the following rights:
- (1) Proceeds Recovered. FTA retains a right to a share of any net proceeds recovered through a third party contract claim or litigation, in proportion to the amount FTA has committed to the project, unless FTA permits other uses of the proceeds recovered.
 - (2) Liquidated Damages. If the third party contract includes a liquidated damages provision, FTA expects the recipient to credit any liquidated damages recovered to the project, unless FTA permits other uses of the liquidated damages. For example, in negotiating the terms of a claim or litigation settlement, it may be reasonable for the recipient to exchange some or all liquidated damages that may be due the recipient for additional property or services.

INFORMAL QUOTATIONS AND AWARD

I. PURPOSE

This procedure provides instructions for the solicitation and award of bids for purchases of materials and services where the estimated cost is less than \$10,000.00.

II. POLICY

This procedure is applicable to all purchases under \$10,000.00, except as provided for in:

- Direct Purchases, PU-13-RC, or
- Blanket Purchase Orders and Release Notices, PU-09-RC, or
- Procurement Card Purchases, PU-21-RC, or
- Exceptions to Competitive Bidding as stated in Commuter Rail Board Ordinance, 94-1, or the most current document.

Purchases that amount of \$10,000.00 or more are described in Formal Quotation and Awards, PU-05-RC.

Whenever possible and practical, METRA will endeavor to secure three or more bids (quotations) in the open market. If less than three bids are obtained, the reasons should be documented.

When a sole source is specified, a written memorandum explaining that the vendor is the only source for the materials and/or services must be provided. The memorandum must be signed by the Director of the Requisitioning Department or Division, the Senior Director, as appropriate, and the Deputy Executive Director.

Bid quotations as specified herein, may be obtained by telephone, fax, or electronic document. **The solicitation documents must include the Federal Clauses Exhibit.** When specifications cannot be clearly defined or bids cannot efficiently procured by telephone, written bids will be necessary.

For purchase orders that include capital funds, a price/cost analysis and history of procurement must be prepared and maintained on file if a single bid or sole source.

Multiple awards under \$10,000.00 for the same materials and services in order to avoid the prescribed procedure for formal quotations and awards (PU-05-RC) are prohibited.

Departments should endeavor to accurately forecast their supply needs in order to avoid the need to frequently re-bid a contract.

Purchase orders will be awarded to the lowest, responsive and responsible bidder, if bids are obtained.

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INFORMAL QUOTATIONS AND AWARD

III. DEFINITIONS

Blue Folder: See Glossary

Requisition: See Glossary

Sole Source: See Glossary

IV. RESPONSIBILITIES

Requisitioner/User

Submits requisition(s) and provides adequate specifications for items desired in accordance with Requisitioning of Materials and Services, PU-02-RC. Prepares memorandum justifying sole source requirements, signed by the Director of the Requisitioning Department or Division, the Senior Director or Deputy Executive Director as appropriate, and the Executive Director. Prepares independent cost estimate as required.

Budget Authority

Verifies availability of funds in the appropriate budget account. Reviews signatures and completeness of forms. Department Head, Director, or other designated person signs approval in box #25 on Purchase Requisition form (RC73) after checking budget. Maintains a record of all requisitions and purchases to ensure that budget limitations are not exceeded. Verifies proper Account/Distribution codes. If the requisition is approved, advise the Risk Management Division of the purchase of real property, new equipment, material, construction activities and other insurable items.

Procurement or Professional Services/Contracts Division

Determines the method of obtaining quotations. Solicits quotations and selects the lowest responsive and responsible bidder. Where possible, solicits bids to secure a minimum of three (3) qualified vendors. Receives and records all bids received. **If capital funds are involved, the Federal Clauses Exhibit must be included in the solicitation documents**, makes the award with approval from General Development Department. For items that are sole source, prepares memorandum justifying sole source requirement to Materials Management Department Head. Obtains signature of the Department Head, Materials Management and the Deputy Executive Director. Prepares purchase order and distributes copies to Accounts Payable, and if capital funds are involved to General Development. Advises the Risk Management Division of the purchase of real property, new equipment, construction activities, and other insurable items. Maintains contract files to show documentation for all contract phases and activities.

General Development Department

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**ARCHITECTURAL AND ENGINEERING
SERVICES CONTRACTS
(BROOKS METHOD)**

I. PURPOSE

This procedure sets forth policies and instructions for the acquisition, administration, and termination of contracts for A & E services by Metra, regardless of the funding mechanism.

II. POLICY:GENERAL:

A & E services are acquired by Metra using the "Brooks" procurement method regardless of the funding mechanism. The Brooks procurement method is based on the award of contracts for services such as A & E services using a qualifications-based procurement analysis. Price is not a factor in determining the most qualified Offeror. Instead, each Offeror's qualifications are evaluated and the most qualified Offeror is selected subject to the negotiation of fair and reasonable compensation.

Proposals will be evaluated, negotiated, selected and any award shall be made in accordance with the criteria and procedures described below. The approach and procedures are those which are applicable to a competitive negotiated procurement whereby proposals are evaluated to determine which proposals are within a competitive range. Discussions and negotiations may then be carried out with Offerors within the competitive range. The Offeror selected will be the Offeror whose proposal is found to be most advantageous to Metra, based upon consideration of the Evaluation Criteria.

Metra personnel will maintain ethical standards in their professional activities. Metra personnel must avoid personal and organizational conflict-of-interest situations and avoid the appearance of such situations. Metra personnel are required to be familiar with Metra's ethics policies and all circumstances and persons covered by any type of conflict-of-interest situation.

Any proprietary information, methodology, or application that is contained in a proposal shall remain strictly confidential, will be screened for distribution only to those Metra personnel who require it for work directly connected with the project, and will not be distributed to persons not relevant to the project and not within reporting hierarchies at Metra which are relevant to the project. The confidentiality extends to the cost/profit figures contained in the proposals and the process of negotiations.

NARRATIVE DESCRIPTION OF PROCESS:

The process for a particular award of an Architectural & Engineering (A & E) services contract will be described in the respective Request for Proposals ("RFP") prepared by the

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**ARCHITECTURAL AND ENGINEERING
SERVICES CONTRACTS
(BROOKS METHOD)**

General Development Department

- Where capital funds (other than Section 8 funding) are involved, provides detailed guidance on contract requirements, reviews contracts for compliance with said requirements, and obtains funding concurrence as required.

Law Department

- Reviews contracts for legal compliance and provides clearance as appropriate.

Professional Services/ Contracts Division

- Approves the Evaluation Criteria prepared by Requisitioner/User.
- In concert with Requisitioner/User, identifies Evaluation Committee and Contact Person.
- Performs overall staff management, coordination, processing, execution and filing of A & E contracts, including coordination of the RFP's components (including the Federal Clauses Exhibit insertion), and issues of solicitation.
- In concert with Requisitioner/User, schedules and hosts the pre-proposal conferences (as necessary), to clarify RFP requirements and answer questions from potential Offerors.
- Reviews the initial RFP and prepares the formal RFP. Assures that there is a clear, accurate description of the technical requirements, and unambiguously as possible for the services(s) to be procured.
- Prepares solicitation advertisement and facilitates the placement of such advertisement in a newspaper of general circulation.
- Identifies target Offerors (if any) from Metra's vendor database to receive e-mails regarding solicitation and facilitates such e-mails.
- Receives proposals, performs initial review, and completes a Responsibility Determination Form with respect to each proposal.
- Conducts a canvass when it receives only one proposal.
- In concert with Requisitioner/User, schedules and hosts pre-award interviews (as necessary).
- Coordinates correspondence, if any, between Offerors and Contact Person.
- Obtains cost and other information requested by the Evaluation Committee from selected highest-ranked Offeror.

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**ARCHITECTURAL AND ENGINEERING
SERVICES CONTRACTS
(BROOKS METHOD)**

B. Solicitation of Proposals

- | <u>Responsible Party</u> | <u>Action</u> |
|----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Professional Services/
Contracts Division (review
of initial RFP) | <ol style="list-style-type: none"> 1. <ol style="list-style-type: none"> a. Receive and review the Purchase Requisition and initial RFP (including all Evaluation Criteria) and all appropriate attachments from General Development Department. b. Request Cost Estimate from Materials Department and/or the Requisitioner/User if not attached to initial RFP. c. If submitted initial RFP is approved, consult with Requisitioner/User to select Evaluation Committee and Contact Person and proceed to step (B)(2) below. d. If submitted initial RFP is not approved for any reason, forward subject initial RFP and all appropriate attachments back to Requisitioner/User with comments for revisions and re-submittal (proceed to back to step (A)(3) above). e. Complete applicable sections of Checklist - RFP's, if any. |
| Professional Services/
Contracts Division
(preparation of formal
RFP/advertisement) | <ol style="list-style-type: none"> 2. <ol style="list-style-type: none"> a. Prepare the formal RFP, which should include at least the following in the project description: overview, objectives, scope, estimated time schedule, reporting requirements, required projects documents, DBE requirements (if any), the procurement method, Evaluation Criteria and Contact Person and all appropriate Exhibits including the Federal Clauses Exhibit. b. Forward any modifications to the initial RFP to all interested parties. c. Prepare solicitation advertisement to be placed in newspaper of general circulation. d. Identify target Offerors from Metra's vendor database |

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