



NEWS

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(* * REVISED * *)

MTA SELECTS MANAGEMENT CONSULTING FIRM TO REVIEW STRUCTURE OF RAIL CONSTRUCTION UNIT

The MTA's Executive Management Committee, Nov. 9, unanimously selected the firm of Arthur Andersen and Co. to perform an independent review of the authority's rail construction organization.

"In recent months, it has become clear that we need a thorough review of our construction management structure and procedures," said Edmund D. Edelman, MTA's chairman and a Los Angeles County Supervisor. "At its October meeting, the Board of Directors authorized the EMC to select a firm to conduct this review.

"We expect that the firm's analysis will assist the MTA in its efforts to restore credibility, improve quality control and safety procedures, and create greater accountability within the agency over the rail construction program."

The review will be conducted in two phases. The first phase, to be completed by Jan. 30, 1995, will include a review of the contract award process, design and construction policies, and the role of the construction management firm. Arthur Andersen and Co. will also recommend how to improve the decision-making process of MTA's construction organization.

Phase two of the review, to be completed by March 31, 1995, will consist of reviewing the existing change order and claims process, safety and quality assurance procedures and the risk management program.

(MORE)

RAIL MANAGEMENT REVIEW

Page 2

The amount of the contract with Arthur Andersen and Co. to conduct the management review is not to exceed \$500,000, with a 20 percent contingency.

"The work to be done by Arthur Andersen and Co. is part of an overall effort to improve the management performance of the rail construction group," said Franklin White, MTA's chief executive officer. "We believe their work product will help get our rail program back on track."

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