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Metropolitan  
Transportation  
Authority

One Gateway Plaza  
Los Angeles, CA  
90012-2952

**SUBJECT: FISCAL YEAR 2001-2003 TRIENNIAL PERFORMANCE AUDIT OF MTA AS THE REGIONAL TRANSPORTATION PLANNING ENTITY AND OF ALL LOS ANGELES COUNTY TRANSIT OPERATORS**

**ACTION: AWARD CONTRACT TO THE FIRM OF BOOZ ALLEN HAMILTON, INC.**

**RECOMMENDATION**

Authorize the Chief Executive Officer to award a contract to Booz Allen Hamilton, Inc. to conduct the Fiscal Year (FY) 2001 to FY 2003 Triennial Performance Audit of the Los Angeles County Metropolitan Transportation Authority as the Regional Transportation Planning Entity (RTPE) and to conduct the FY 2001 to FY 2003 Triennial Performance Audit of the Los Angeles County Transit Operators, including MTA Operations, for a firm fixed price of \$595,000.

**RATIONALE**

Public Utilities Code Section 99346 requires that the MTA conduct an independent performance audit of its activities as the RTPE and of all transit operators eligible to receive State Transportation Development Act (TDA) Article 4 funds. MTA's role as the RTPE includes a review of MTA's planning and programming functions, funds administration, oversight, legislative and managerial performance. Additionally, all Los Angeles County transit operators who receive TDA Article 4 funds must be audited as prescribed in the PUC code. The performance reviews for the RTPE and for the operators are required every three years. The present schedule calls for the FY 2001 – FY 2003 audits to be completed and transmitted to the State of California by the second quarter of FY 2005.

The Triennial Performance Audit serves as a management tool for Los Angeles County transit operators and the MTA to review their administrative and service operation functions. The audit findings may provide direction to MTA and the transit operators towards making transit service delivery and management functions more efficient.

## **FINANCIAL IMPACT**

Funding of \$595,000 is included in the MTA's FY2004 budget in Countywide Planning cost center 4430 under project 405510, task 01.03, line item 50316, Professional Services. Since this contract will continue into the next fiscal year, the cost center manager and Executive Officer will be accountable for budgeting the cost in FY 2005. As the cost of the Triennial Audit is an eligible administrative TDA expense, funds to pay for these audits are deducted from MTA's regional administration apportionment.

## **ALTERNATIVES CONSIDERED**

MTA must complete these performance reviews to continue receiving state TDA funds as the Triennial Performance Audits are required by state law.

## **ATTACHMENTS**

- A. Procurement Summary
- B. Summary Scope of Work – Part Two – RTPE
- C. Summary Scope of Work – Part One – Transit Operators

Prepared by: M.J. West, Transportation Planning Manager,  
Programming and Policy Analysis

Ed Kichi, Senior Contract Administrator  
Procurement



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James L. de la Loza  
Executive Officer  
Countywide Planning & Development



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Roger Snoble  
Chief Executive Officer

**BOARD REPORT ATTACHMENT A  
PROCUREMENT SUMMARY**

**FISCAL YEAR 2001-2003 TRIENNIAL PERFORMANCE  
AUDIT OF TRANSIT OPERATORS AND MTA AS THE REGIONAL  
TRANSPORTATION PLANNING ENTITY**

1.	Contract Number: PS4430-1492		
2.	Recommended Vendor: Booz Allen Hamilton Inc.		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$648,775	Recommended Price: \$595,000	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Firm fixed price not to exceed		
5.	Procurement Dates:		
	A. Issued: 9-24-03		
	B. Advertised: 9-19-03		
	C. Pre-proposal Conference: 10-13-03		
	D. Proposals Due: 10-27-03		
	E. Pre-Qualification Completed: 11-03-03		
	F. Conflict of Interest Form Submitted to Ethics: 11-03-03		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 21% SBE	Date Small Business Evaluation Completed: 11-04-03	
	B. Small Business Commitment: 21.2%; details are in Attachment A-2		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: One-hundred eighty-four (184)	Bids/Proposals Picked up: Seventeen (17)	Bids/Proposals Received: Five (5)
8.	Evaluation Information:		
	A. Bidders/Proposers Names:	Bid/Proposal Amount:	Best and Final Offer Amount:
	Booz Allen Hamilton	\$648,775 (part 1 & 2)	\$595,000
	Macias Gini	\$613,400 (part 1 & 2)	
	Thompson, Cobb, Bazilio & Assoc.	\$650,000 (part 1 & 2)	
	P M Chestang	\$168,114 (part 2 only)	
	Wang Professional Corp.	\$146,400 (part 2 only)	
	B. Evaluation Methodology: Details are in Attachment A-1.C		
9.	Protest Information:		
	A. Protest Period End Date: 11-25-03		
	B. Protest Receipt Date: TBD		
	C. Disposition of Protest Date: TBD		
10.	Contract Administrator: Ed Kichi	Telephone Number: 922-3647	
11.	Project Manager: Part One Transit Operators– Rufus Cayetano Part Two MTA as RTPE– M. J. West	Telephone Number: 922-2379 922-2468	

**BOARD REPORT ATTACHMENT A-1  
PROCUREMENT HISTORY**

**FISCAL YEAR 2001-2003 TRIENNIAL PERFORMANCE  
AUDIT OF TRANSIT OPERATORS AND MTA AS THE REGIONAL TRANSPORTATION PLANNING  
ENTITY**

*A. Background on Contractor*

Incorporated in 1914, Booz Allen Hamilton Inc. has been in business continuously for 89 years. They are a technology and management consulting firm serving federal, state and local government, as well as the commercial sector. The firm focuses on helping clients manage for performance results, and implement technology as an enabler for improved operations and mission fulfillment. Performance reviews are a significant part of their business. Booz Allen Hamilton Inc. has served the MTA and its predecessor agencies continuously since 1981; and conducted the previous Triennial Performance Audit for MTA in 2001. Several other recent contracts include the UFS Implementation Oversight, Congested Corridors, RSTI Performance Measurement, and a Transit Security Study. The performance of the company in support of MTA requirements has been satisfactory to date.

Booz Allen Hamilton Inc. has performed well over 100 performance audits of transit operators in California, Texas, Pittsburgh, and Maryland. In addition to the Los Angeles County Triennial Performance Audit the company also conducted the San Diego, Orange County and Sacramento County performance audits in 2001. In the last three years, similar studies were completed in Houston, Pittsburgh, Baltimore and Chicago. Booz Allen Hamilton Inc.'s experience with MTA over the past several years has provided the company with solid insight into MTA operations, data availability, internal priorities and outside events which impact performance.

*B. Procurement Background*

This is a competitively negotiated Request For Proposal (RFP) procurement with standard terms and conditions. No prior Board actions, directives or motions impacting this requirement exist. Explicit evaluation criteria stipulated in the RFP was used to select a contractor for this requirement.

Two separate audits are required: (1) the Audit Of Transit Operators, and (2) the MTA as The Regional Transportation Planning Entity. In accordance with RFP instructions, prospective proposers had the option of submitting separate pricing for each audit, and/or a combined price for both audits. This approach allows MTA the flexibility of awarding a contract to two different firms to perform each audit; or, award one contract to one firm to perform both audits.

A Small Business Enterprise (SBE) goal has been established at 21% (See Attachment A-2).

C. Evaluation of Proposals

A Source Selection Committee (SSC) was established, convened and conducted a comprehensive evaluation of submitted proposals. All five contractors submitting proposals are considered responsive to the Request For Proposal (RFP) solicitation and in full compliance with MTA procurement policies and procedures.

The Source Selection Committee (SSC), consisting of four representatives from MTA and one member of Long Beach Transit, reviewed the technical and cost merits of each proposal based on the evaluation criteria set forth in the Request For Proposal (RFP). More weight was given to the technical merits of each proposal than costs. Although Booz Allen Hamilton did not have the lowest costs, their technical score exceeded those of the other proposing firms; and as a result, the overall score for Booz Allen Hamilton Inc. exceeded the scores of the other proposals. Based on these set of circumstances, the SSC selected Booz Allen Hamilton Inc. to perform the MTA FY2001-2003 Triennial Audit.

The evaluation was predicated on the following criteria:

- Understanding and approach to the work
- Qualifications of the firm
- Experience and capabilities of proposed staff (including subcontractors)
- Cost

D. Cost/Price Analysis Explanation of Variances

The recommended price has been determined to be fair and reasonable based upon adequate price competition. The previous Triennial Audit, conducted in 2000, was priced at \$623,059. An inflation factor of 3 percent was applied, bringing this figure to an equivalent current FY2004 price of \$680, 837. Historical data requirements compare to the current statements of work issued in support of this Request For Proposal (RFP).

The recommended /negotiated price results in a net reduction of \$53, 775 (or 9 percent) from the Contractor's proposed price.

<b>Bid/Proposal Amount</b>	<b>MTA Estimate</b>	<b>Recommended/Negotiated Amount</b>
\$648,775	\$680, 837	\$595,000

**BOARD REPORT ATTACHMENT A-2  
LIST OF SUBCONTRACTORS**

**FISCAL YEAR 2001-2003 TRIENNIAL PERFORMANCE  
AUDIT OF TRANSIT OPERATORS AND MTA AS THE REGIONAL TRANSPORTATION PLANNING  
ENTITY**

***PRIME CONTRACTOR – Booz Allen Hamilton Inc.***

Small Business Commitment

Other Subcontractors

Altmayer Consulting, Inc. Pasadena, CA  
21.2%

None

Total Commitment                      21.2%

**SUMMARY SCOPE OF WORK**

**TRIENNIAL PERFORMANCE AUDIT OF THE MTA AS THE RTPE**

The scope of the MTA Triennial Performance Audit, prepared in accordance with state guidelines, requires the consultant to review MTA's regional transportation planning function at both the executive staff and policy board level. The audit must meet the legislative requirements of SB1755 and should also provide pertinent information and recommendations to assist in improving the efficiency, economy, and effectiveness of transit program planning and administration of the MTA. Specifically, the consultant will be responsible for completing the following tasks:

- Follow up on implementation of prior performance audit recommendations
- Determine compliance with legal and regulatory requirements
- Review the MTA functions, including:
  - (a) planning and programming of transportation funds;
  - (b) transportation funds administration;
  - (c) transit operator productivity monitoring and service coordination oversight;
  - (d) rail construction program;
  - (e) legislative proponent and analyses
  - (f) air quality management plan; and
  - (g) Consolidated Transportation Services Agency (including Access Services Inc.'s role)
- Review of management performance
- Review of internal administration
- Finally, the consultant will document the study process, findings and recommendations for management review and Board approval.



**SUMMARY SCOPE OF WORK**

**TRIENNIAL AUDIT OF LOS ANGELES COUNTY TRANSIT OPERATORS**

The scope of work for the audit includes performance review of the 16 municipal and eligible operators and MTA Operations.

The scope includes:

- Follow-up of recommendations from prior audits performed on each transit operator
- Verification of five performance indicators for the three year audit period:
  - Operating cost per passenger
  - Operating cost per vehicle service hour
  - Passenger per vehicle service hour
  - Passenger per vehicle service mile
  - Vehicle service hours per employee
- Evaluate performance indicators and identify declines in performance, highlight areas for further investigation and make recommendations to improve the efficiency and effectiveness of the transit operator
- Detailed review of transit operator functions, including:
  - (a) general management and organization
  - (b) service planning
  - (c) scheduling, dispatch and operations
  - (d) personnel management and training
  - (e) administration and budget
  - (f) marketing and public information
- Review of compliance requirements