

EXHIBIT A – SCOPE OF SERVICES

PERFORMANCE AUDIT OR REVIEW OF PROJECT MANAGEMENT OF PURPLE LINE EXTENSION 1

I. Introduction

The Los Angeles County Metropolitan Transportation Authority's (Metro) Management Audit Services department (MAS) is requesting the services of a contractor with experience in conducting performance or operational audits or reviews of major construction projects. The scope will include review of transit and infrastructure construction project management and requirements of full funding grant agreements (FFGAs) with the Federal Transit Administration (FTA) of the US Department of Transportation.

The engagement is, at a minimum, to be conducted according to the criteria outlined below. In addition, any appropriate widely-recognized standards framework(s) may be applied as applicable to the engagement type proposed:

A. Independence - Contractor staff involved in performing or supervising any part of this assignment should be free from personal or external impairments to independence and should constantly maintain an independent attitude and appearance.

B. Quality Control – Contractor will exercise proper supervision over contractor staff assigned throughout the project.

C. Planning – The engagement is to be adequately planned. Adequate planning is to be done by the contractor to ensure that the work to be done fulfills the objectives of this project and is based upon adequate research and an understanding of the issues and risks inherent to the area under review. Planning should be thorough enough so that a written work plan can be developed.

C.1. Written Work Plan – A written work plan will be prepared at the conclusion of the planning phase and provided to the MAS Project Manager. This written work plan will identify the work to be undertaken by the contractor to address the objectives in the Contractor's Responsibilities section of this statement of work. The written work plan should clearly describe the risks assessed related to the areas under review; mitigating controls and how these will be tested; any potential issues to be addressed; the methodologies to be used; and the manner in which the work will be conducted to gather sufficient and adequate information to support any findings, conclusions or recommendations developed.

D. Data Collection and Analysis – Information and data obtained about the areas under review should be documented and organized in contractor’s workpapers and lead to a reasonable basis for conclusions. Sources of information should be described in the supporting documentation in sufficient detail so that the adequacy of the information, as a basis for conclusions, can be assessed. Information should be of such scope, and selected and analyzed, as to address questions about the objectives of the engagement and be responsive to the informational needs and interest of stakeholders. The information-gathering instruments and procedures should be chosen or developed and then supplemented to ensure that the information is reliable and valid and meets the engagement objectives. Qualitative and quantitative information should be appropriately and logically presented in contractor working papers to ensure accurate interpretations. The basis and support for findings should be carefully organized and described in supporting documentation.

E. Evidence – Sufficient, competent, and relevant evidence is to be obtained to afford a reasonable basis for findings and conclusions. Evidence is sufficient if there is enough of it to support the report’s findings. Evidence used to support findings is relevant if it has logical, sensible relationships to those findings. Evidence is competent to the extent that it is consistent with fact (valid).

F. Timeliness – The contractor may need to respond to changing priorities or unforeseen circumstances, such as the need to expand the scope of the engagement, or to respond to an emergent need caused by other events.

G. Reporting – The engagement should result in a timely written report to be delivered to the MAS Project Manager. All reports should present factual data accurately, fairly, and objectively, and present findings, conclusions and recommendations in a persuasive manner.

II. **Background**

The Purple (D Line) Extension Project includes three critically important rail projects under construction that together will provide a high-capacity, high-speed and dependable alternative for commuters to travel between downtown Los Angeles, the Miracle Mile, Beverly Hills and Westwood via an underground subway heavy rail system.

From the current terminus at the Wilshire/Western station, the Purple (D Line) Extension will extend westward nine miles and add seven new stations providing access to the Westside, the Los Angeles region’s second-largest job center. Travel time between downtown Los Angeles and the VA Hospital in Westwood is expected to be about 25 minutes.

The Purple (D Line) Extension Project Section 1, which is the subject of this scope of services, extends the Purple (D Line) 3.9 miles along Wilshire Boulevard from the Wilshire/Western station. It adds three new stations at the intersections of Wilshire/La Brea, Wilshire/Fairfax and at Wilshire/La Cienega in Beverly Hills where it ends. The project is currently budgeted at approximately \$3.5 billion, is approximately 80% complete, and is currently scheduled to begin revenue service in Fall 2024.

The Purple (D Line) Extension Project Section 2 will extend the subway through downtown Beverly Hills, stopping at Wilshire/Rodeo Drive, and ending at the Century City station. It is scheduled for completion by the end of 2025.

The Purple (D Line) Extension Project Section 3 will extend the project from Century City to its end, including two stations, at Westwood Boulevard and at its termination at the VA Hospital. Construction began in 2019 after Metro secured federal funds for this last section, which is scheduled for completion in 2027.

III. Firm and Staffing Qualifications

Some key personnel should have work experience in conducting performance or operational audits and/or reviews, specifically with large (\$200 million+), complex construction projects, including projects funded by Federal grants, and project management best practices. Experience with rail projects, including rail testing and commissioning is strongly preferred. The Contractor is encouraged to use industry specialists to augment their own expertise if required.

IV. Contractor's Responsibilities

MAS is seeking the services of a professional services firm to conduct a performance or operational audit or review (the engagement) of the project management of Purple (D Line) Extension Project Section 1 (previously known as Westside Purple Line Extension Section 1 Project).

The Project period to be examined is from August 1, 2022 through April 30, 2023.

The objectives of the engagement are to:

- 1) Evaluate the state of final-year processes and planning (acceptance, testing, certification, training, activation) for the Purple (D Line) Extension Project Section 1 prior to the start of revenue service operations
- 2) Evaluate Program Management's effectiveness in managing and mitigating risks within the Project

- 3) Evaluate life of project (LOP) budgeting management, including addressing risks, quality of cost estimating and financial risk management, monitoring of funding, contract value and contingency changes, evaluate project controls and the development, completeness and integration of project schedule for all required activities to achieve revenue service
- 4) Evaluate pending contract modifications or other contract issues that may affect costs or schedule
- 5) Evaluate completeness of systems integration testing (SIT1 & -2), safety / security and personnel plans for pre-revenue operations
- 6) Evaluate risk assessment process, management and mitigation effectiveness and other project metrics
- 7) Evaluate whether lessons learned from other projects recently completed (e.g., Crenshaw-LAX) or approaching completion (e.g., Regional Connector) have been appropriately applied to close-out planning
- 8) Assess for noted deficiencies in planning and management the following:
 - Root causes
 - The classification of overruns and deficiencies (controllable / uncontrollable)
 - The planning and approval process and its impact on overruns and deficiencies
 - Necessary corrective or mitigation measures

The engagement will include a final report that should clearly address the adequacy of project progress to date and planning for completion and final year activities in order for Purple (D Line) Extension Project Section 1 to be ready to operate by the current scheduled revenue service date. The assessment included in the engagement report concerning the adequacy of project progress to date will be based upon consideration of what is complete vs. what remains to be done; the time required vs. time available to complete the project; the adequacy of resources (funding and personnel); and benchmarks from similar projects. The report should include practical recommendations to accelerate the project and improve the quality of estimates, planning, sequencing and scheduling.

After the final report is completed and approved by Metro, and the workpapers are finalized, an electronic copy of project work papers should be submitted to the Metro PM in electronic format, e.g., on a flash drive, DVD, etc.

V. Deliverables and Payment Schedule

The Contractor shall provide the Metro Project Manager (PM) with the deliverables below.

TASK	DELIVERABLES	DATE REQUIRED	PROGRESS PAYMENT SCHEDULE
1	Conduct a Kick-Off Meeting with the Metro PM to discuss high level project plan.	7 calendar days after receipt of fully executed contract (FEC)	0%
2	Hold Entrance Conference. The meeting should include Metro PM, the audit team, and other stakeholders as invited by Metro PM.	21 calendar days after FEC	0%
3	Prepare Work Plan including an examination of Project inherent risks relevant to the audit or review objectives, consideration of internal controls to mitigate the inherent risks, assessment of the residual risk level after consideration of internal controls, and development of an audit or review test plan to test identified internal controls that are significant to the audit objectives along with a description of other procedures that will be performed to achieve audit or review objectives. The Work Plan will be approved by the Metro PM prior to the start of fieldwork.	45 calendar days after FEC	20%
4	Bi-weekly updates (oral and written) with Metro PM. A written update is required at least one day prior to an oral update. Oral updates will be via conference calls to be scheduled with the Metro PM. Written updates shall include, at a minimum, a description of tasks completed to date, tasks in progress, upcoming tasks to be completed for the next period, a description of any issues, preliminary findings, etc.	Ongoing all throughout the project	0%
5	Complete fieldwork.	100 calendar days after FEC	25%
6	Prepare summary of findings and recommendations using the template provided by the Metro PM. Findings should include the following elements, as applicable: condition, criteria, cause, effect and recommendations. The summary will be approved by the Metro PM prior to auditee presentation.	110 calendar days after FEC	15%
7	Conduct a closing meeting with the auditee. The meeting should include the Metro PM and other stakeholders as invited by Metro PM.	125 calendar days after FEC	0%

TASK	DELIVERABLES	DATE REQUIRED	PROGRESS PAYMENT SCHEDULE
8	Prepare draft audit report and provide to Metro PM. Draft report will be approved by Metro PM prior to issuance. Revised draft report if applicable, will include Metro PM's comments, and must be submitted within 5 days after PM's comments.	135 calendar days after FEC	20%
9	Hold Exit Conference with auditee. Meeting should include Metro PM, audit team, and other stakeholders as invited by Metro PM.	150 calendar days after FEC	0%
10	Prepare final audit report. The final audit report will be approved by the Metro PM prior to issuance. The revised final audit report shall incorporate Metro PM comments and will be submitted within 5 days after PM's comments are provided.	165 calendar days after FEC	10%
11	Electronic copy of work papers will be submitted to the Metro PM in electronic format, e.g., flash drive, DVD, etc.	195 calendar days after FEC	10%