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## Memorandum

**To:** ECD  
**From:** Sam Zhou, Chief Engineering and Capital Division *XSZ*  
**Date:** June 20, 2024  
**Subject:** **Professional Services** Scope and Compensation Matrix  
**Distribution:** MBTA Engineering and Capital Division

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I continue to work with Maureen's team to improve the delivery of professional services. I need your assistance with effectively and consistently implementing our business practices by utilizing the Professional Services Scope & Compensation Matrix (hereinafter referred to as PS Matrix).

The PS Matrix was created as a negotiations tool to assist Project Managers in negotiating a complete scope for a fair and reasonable price. The PS Matrix was introduced over a year ago and trainings were held by Project Controls. The PS Matrix was included as an attachment to the Project Controls Manual. To date, the PS Matrix has not been utilized. Project Controls and Shaunna worked with ACEC over the past 9 months to create a new and improved scope and compensation matrix, which will be available on the MBTA's website in the Project Controls Manual. Generic tasks have been incorporated into each level of design to fit any type of project. The revised PS Matrix incorporates the daily expense and labor rate matrix.

As of July 1, 2024 the use of the PS Matrix will be mandatory. The PM must use the PS Matrix to prepare an ICE prior to receiving the PS Matrix submitted by the Consultant (refer to as PS Matrix/ICE). If PMs are uncertain of the number of hours needed for each task of the scope, the PM shall seek out the assistance of a supervisor. The Prime Firm shall complete the PS Matrix (refer to as PS Matrix/Proposal) for their own firm and each of their subconsultants. The Exhibit A will auto populate from the information inputted into the PS Matrix/Proposal. The PM shall use the PS Matrix/ICE and the PS Matrix/Proposal to negotiate a complete scope and a fair and reasonable price for consultant's services. Such negotiations shall result in a PS Matrix/Negotiation. Starting July 1, 2024, contract actions including contracts, task orders, or amendments shall not be processed unless the PS Matrix/ICE, PS Matrix/Proposal and PS Matrix/Negotiation are submitted as backup documentation.

Consistent with industry best practices, the FTA requires the MBTA to do a "price analysis" on each contract action. The purpose of the price analysis is to confirm that the total cost (design as a percentage of construction) and the distribution of dollars (by phase or task) is fair and

reasonable. In reviewing historical cost data for capital projects, MBTA design fees track higher than industry standards and the distribution of dollars within the total cost is not aligned with FTA/Industry standards and is not consistent across MBTA capital projects. The Contract Services team is creating a template for the PS Price Analysis which will need to be completed and signed off by the PM. If any cost items are not aligned with expected guidelines, the PM shall provide a written explanation and the analysis will also need to be signed off by appropriate Chief.

Trainings were initially held in July of 2022. However, additional trainings are being provided by the Project Controls team. If you have questions on training, please reach out to Courtney Lackard.

Consistent and effective implementation of the PS Matrix and the PS Price Analysis will allow MBTA to negotiate appropriate scopes for fair and reasonable prices and advance our efforts to enhance the quality of our designs and improve how we deliver professional services. These important tools will also allow the MBTA to track costs and create our own internal cost data related to the delivery of different types of capital projects. I thank you in advance for your support. Please let me know if there are any questions.