

SECOND AMENDMENT TO AGREEMENT NO. 864  
BETWEEN  
THE ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY  
AND  
BCA WATSON RICE, WESTERN REGION, LLP

THIS SECOND AMENDMENT to Agreement No. 864 is made and entered into by the Alameda Corridor Transportation Authority (“Authority”), acting by and through its Governing Board, and BCA WATSON RICE, WESTERN REGION, LLP (“Consultant”).

WHEREAS, the Authority and Consultant entered into Agreement No. 864 commencing July 1, 2017, for Consultant to provide internal audit services to ACTA each fiscal year; and

WHEREAS, the Authority and Consultant now enter into this amendment to extend the term by two years and increase the total compensation amount by \$153,111 in order to continue the services under the Agreement;

NOW, THEREFORE IT IS MUTUALLY AGREED AS FOLLOWS:

1. Article 4. TERM OF AGREEMENT is amended to read:

“Article 4. TERM OF AGREEMENT.

The effective date of this Agreement shall be July 1, 2017, and subject to the provisions of Article 12, shall continue in full force and effect for a period of eight (8) years expiring on June 30, 2025.”

2. Article 6. MAXIMUM OBLIGATION is amended to read:

“Article 6. MAXIMUM OBLIGATION.

Notwithstanding any provisions of this Agreement to the contrary, ACTA and Consultant mutually agree that ACTA’s maximum payable amount under this Agreement shall be Six Hundred Three Thousand One Hundred Eleven Dollars (\$603,111), which shall include all amounts payable to Consultant for subcontracts, leases, materials and costs arising from, or due to termination of, this Agreement. Furthermore, each issued CTO shall show ACTA’s maximum payment obligation for the CTO.”

3. Exhibit A-1, attached hereto, is incorporated and made a part of the Agreement.
4. Exhibit A-2, attached hereto, is incorporated and made a part of the Agreement.

**Amendment No. 2**  
**Agreement No. 864**  
**BCA WATSON RICE, WESTERN REGION, LLP**

Except as amended herein all remaining terms and conditions of Agreement No. 864 shall remain in full force and effect.

The effective date of this amendment shall be the date of its execution by ACTA's Chief Executive Officer.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to Agreement No. 864 on the date to the left of their signatures.

ALAMEDA CORRIDOR  
TRANSPORTATION AUTHORITY, by  
its Governing Board

Dated: \_\_\_\_\_, 2022

By: \_\_\_\_\_  
Michael C. Leue, P.E.  
Chief Executive Officer

Attest: \_\_\_\_\_  
Maria Melendres  
Board Secretary

BCA WATSON RICE,  
WESTERN REGION, LLP

Dated: \_\_\_\_\_, 2022

By: \_\_\_\_\_

\_\_\_\_\_  
(Print/type name and title)

Attest: \_\_\_\_\_

\_\_\_\_\_  
(Print/type name and title)

APPROVED AS TO FORM

\_\_\_\_\_, 2022  
MICHAEL N. FEUER, Los Angeles City Attorney

By: \_\_\_\_\_  
Heather M. McCloskey, Deputy  
ACTA Co-General Counsel

**EXHIBIT A-1**  
**Compensation, Rates and Fees**  
**July 1, 2023 – June 30, 2024**

Engagement	Contract - Timeframe	Estimated Date Completion of Fieldwork	Estimated Hours	Estimated Budget
ACET - AECOM	C0027 - FY 06/30/2022	Apr-24	120	13,310
ACET - Moffat & Nichol	C0027 - FY 12/31/2022	Feb-24	120	13,310
ACET - JGM	C0027 - CY 12/31/2022	Apr-24	120	13,310
ACET - TELACU	C0027 - CY 12/31/2022	Feb-24	120	13,310
RailWorks, LLC.	C0885 - CY 12/31/2023	Jun-24	200	22,183
			680	\$75,423

**Note:** For the list of proposed procedures, please refer to the **Agreed-upon Procedures** below.

**Agreed-upon Procedures on Verification of Billings by ACTA Contractors**

I. Test at least 20% of the direct labor costs billed by the contractor to ACTA by performing the following procedures:

- Agreed labor hours billed to timesheets.
- Agreed labor rates billed to rates authorized per Contract.
- Agreed labor rates billed to actual labor rates per payroll registers.
- Verified mathematical accuracy of extensions and footings.
- Agreed labor hours per timesheets to the corresponding payroll register (for maintenance contractor only)

\* For maintenance contractor only, the coverage will depend on the results of risk assessment which will be approved by ACTA.

Determine over- or under- billing of indirect expenses by obtaining the actual overhead rate for year of audit and compared to the provisional rates used for billing. For contractors with agreed overhead ceiling, actual overhead rates cannot exceed the overhead rate cap.

II. For contractors with overhead rates audited by independent CPA firms, verify whether the audit was done in accordance with FAR Part 31.

III. Test at least 50% of the Other Direct Costs (“ODC”) by agreeing amounts billed to supporting documentations and verifying allowability per Contract provisions and Subpart 31.2 of the FAR.

\* For maintenance contractor only, coverage will depend on the results of risk assessment which will be approved by ACTA. See additional procedures below.

IV. Calculate the total amount of over- or under-billing by the contractor.

**Additional procedures for Railworks, LLC. maintenance contractor audit only:**

1. Conduct a risk assessment of contractor's billing process as it relates to ACTA project by performing the following procedures:
  - Update the understanding of contractor's billing process thru inquiries and inspection of relevant documents.
  - Document results of inquiries and inspections.
  - Test samples to determine whether the controls are working and effective.
  - Determine whether any improvements are necessary for the billing process.
  - Identify areas posing significant risk in billing ACTA.
  - Determine the samples sizes for test of direct and other direct costs based on the results of risk assessment.
  - Report the results of the risk assessment review.
2. Errors noted in the review of invoices will be extrapolated and included in the report.

**EXHIBIT A-2**  
**Compensation, Rates and Fees**  
**July 1, 2024 – June 30, 2025**

Engagement	Contract - Timeframe	Estimated Date Completion of Fieldwork	Estimated Hours	Estimated Budget
ACET - AECOM	C0027 - FY 06/30/2022	Apr-25	120	13,710
ACET - Moffat & Nichol	C0027 - FY 12/31/2022	Feb-25	120	13,710
ACET - JGM	C0027 - CY 12/31/2022	Apr-25	120	13,710
ACET - TELACU	C0027 - CY 12/31/2022	Feb-25	120	13,710
RailWorks, LLC.	C0885 - CY 12/31/2023	Jun-25	200	22,848
			680	\$77,688

**Note:** For the list of proposed procedures, please refer to the **Agreed-upon Procedures** below.

**Agreed-upon Procedures on Verification of Billings by ACTA Contractors**

I. Test at least 20% of the direct labor costs billed by the contractor to ACTA by performing the following procedures:

- Agreed labor hours billed to timesheets.
- Agreed labor rates billed to rates authorized per Contract.
- Agreed labor rates billed to actual labor rates per payroll registers.
- Verified mathematical accuracy of extensions and footings.
- Agreed labor hours per timesheets to the corresponding payroll register (for maintenance contractor only)

\* For maintenance contractor only, the coverage will depend on the results of risk assessment which will be approved by ACTA.

Determine over- or under- billing of indirect expenses by obtaining the actual overhead rate for year of audit and compared to the provisional rates used for billing. For contractors with agreed overhead ceiling, actual overhead rates cannot exceed the overhead rate cap.

II. For contractors with overhead rates audited by independent CPA firms, verify whether the audit was done in accordance with FAR Part 31.

III. Test at least 50% of the Other Direct Costs (“ODC”) by agreeing amounts billed to supporting documentations and verifying allowability per Contract provisions and Subpart 31.2 of the FAR.

\* For maintenance contractor only, our coverage will depend on the results of risk assessment which will be approved by ACTA. See additional procedures below.

IV. Calculate the total amount of over- or under-billing by the contractor.

**Additional procedures for Railworks, LLC maintenance contractor audit only:**

1. Conduct a risk assessment of contractor's billing process as it relates to ACTA project by performing the following procedures:
  - Update the understanding of contractor's billing process thru inquiries and inspection of relevant documents.
  - Document results of inquiries and inspections.
  - Test samples to determine whether the controls are working and effective.
  - Determine whether any improvements are necessary for the billing process.
  - Identify areas posing significant risk in billing ACTA.
  - Determine the samples sizes for test of direct and other direct costs based on the results of risk assessment.
  - Report the results of the risk assessment review.
2. Errors noted in the review of invoices will be extrapolated and included in the report.