

KAL KRISHNAN CONSULTING SERVICES, INC.



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December 13th, 2007

Mr. John Bardwell, Contracting Officer
Federal Transit Administration
1200 New Jersey Avenue, SE, Room E42-331
Washington, D.C. 20590

Mr. James Harper, Contracting Officer
Federal Transit Administration
1200 New Jersey Avenue, SE, Room E42-331
Washington, D.C. 20590

Subject: PMOC Capabilities Statement – Solicitation FTA-08-PMOC

Dear Mr. Bardwell & Mr. Harper:

Attached please find the 5-page PMOC Capabilities Statement from Kal Krishnan Consulting Services, Inc. (KKCS). We are submitting this Statement relative to Solicitation Number FTA-08-PMOC for Project Management Oversight Services. We are also forwarding a hard copy of this information via fax.

Please include KKCS on the FTA Sources List for notification when the solicitation will be issued. The e-mail contact for KKCS is ron.anderson@kkcsworld.com.

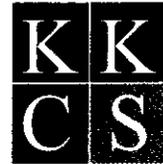
Thank you for your review of KKCS' Capabilities Statement. We look forward to attending the Vendors Information Day on January 11, 2008, and will provide you with the names of our attendees prior to January 4th.

Sincerely,

A handwritten signature in black ink, appearing to read 'R Anderson', with a long horizontal stroke extending to the right.

KAL KRISHNAN CONSULTING SERVICES, INC.
Ronald Anderson
Vice President

CAPABILITIES STATEMENT



KKCS is a full-service project management organization with a proven track record in project implementation from planning and engineering through construction and start-up. Transportation and rail construction weighs heavily in our experience base, and the firm has been providing Project Management Oversight services on behalf of the FTA for ten years.

COMPANY HISTORY

KKCS is a minority-owned small business establishment, certified by more than 30 public agencies. The company has been providing project and construction management services to public agencies and the private sector for more than 20 years. Growing steadily in both size and capability since its founding, the firm now employs 49 professionals out of regional offices in Northern and Southern California. KKCS enjoys a solid reputation as a pro-active manager of medium and large-scale construction projects and has attracted to its staff a full complement of highly competent professionals.

EXPERIENCE

KKCS has provided design and construction support services on more than 150 projects with a total constructed value of more than \$20 billion. Through the years, KKCS has maintained qualified staff to execute comprehensive and integrated project management - providing engineering, program management, constructability review, value engineering, construction management, quality management, project control, estimating, systems and vehicle management, reporting, and document control services. We have provided construction and program management support services on multiple rail projects in Los Angeles, the San Francisco Bay area, Phoenix, Minneapolis, and Denver.

Beginning in 1997, KKCS began applying this knowledge and expertise – including a full complement of fully integrated project management systems, policies, and procedures – to the Federal Transit Administration's PMOC Program. Working as a sub-consultant to Gannett Fleming, Hill International, STV, and Stone & Webster, KKCS has provided a wide range of PMOC services on Federally funded projects in Los Angeles, San Jose, Sacramento, Seattle, Las Vegas, Philadelphia, Dallas, and Orlando. Collectively, our PMOC work experience includes all transportation modes, including heavy rail, light rail, commuter rail, monorail, and bus rapid transit,

With intricate knowledge of FTA Guidance & circulars for PMOC work, we have a full understanding of the accepted approach to completing the work including risk identification and management, project review assessments, spot reporting, technical capacity & capability reviews, monthly reporting, and additional value-added support to grantees through knowledge transfer. Our goal is to assist grantees to advance their projects through each stage of the project life-cycle, and achieve all cost, schedule, and quality goals.

This corporate knowledge is now available for application to the FTA's next increment of PMOC contracts.

COST

We have established a sound reputation throughout the construction industry for estimating based on delivering supportable, quality estimates in a timely and professional manner. This expertise has been demonstrated for various transit authorities with direct experience on all types of estimates; from conceptual to fair cost estimates of changes in the field.

CAPABILITIES STATEMENT



KKCS maintains extensive pricing information on equipment, labor and materials. A variety of software options exist and can be implemented according to owner preferences. These options include recognized estimating software such as Timberline, as well as spreadsheets formulated to specification. Information contained in the estimating database is used to establish baseline estimates and budgets. The estimates provide the basis for the development of a historical model, which is utilized to conduct parametric assessments of grantee estimates. This is particularly valuable for conceptual and preliminary engineering estimate reviews, special studies, budget baseline "sanity checks", scope analysis and "what-if" exercises.

This expertise has been applied successfully in the review of grantee cost estimates. We are able to provide a review of estimates for overall reasonableness, as well as prepare detailed "bottoms-up" independent estimates. Typically, a parametric review is done at the conceptual and preliminary engineering stages. More detailed quantity and unit rate assessments are done as the engineering design progresses.

Over the course of project implementation, we continue to monitor cost performance. With experience in both engineering and construction environments, we utilize various software brands as tools to provide a comprehensive review of performance by FTA Standard Cost Category (SCC). We are familiar with formal trend procedures to identify and document cost variances, to notify FTA early-on of potential cost impacts to the Federal goals, as well as corresponding funding and/or cash flow implications.

By way of example, KKCS developed an independent cost forecast for Sacramento Regional Transit's Amtrak/Folsom Project that identified cost issues early-on. Ultimately, the project was concluded within the range of the PMOC's cost estimate.

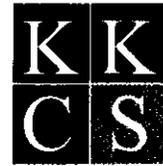
SCHEDULE

KKCS' history providing a full range of planning and scheduling support for design and construction projects has provided a sound basis for monitoring schedule performance for project grantees. Our current staff holds responsible positions in various PMOC assignments including Seattle, Philadelphia, and Sacramento. KKCS performs CPM schedule reviews to assess logic, durations, sequencing, interface, staging, and access perspectives. Where activities are resource and cost loaded, KKCS is able to assist grantees by providing value-added information relating to cash flow, resource availability, and grants management. Primavera Project Planner (P3) and Microsoft Office are the tools of choice for this effort, and can also be updated through data exchanges between the cost module. The PMOC schedule monitoring effort includes field verification against reported progress.

QUALITY ASSURANCE

Quality Management shares emphasis equal to cost and schedule in the KKCS PMOC effort. Key to this effort is assisting grantees to develop a Project Management Plan (PMP) that reflects best management practices. We review grantee PMPs and provide value-added suggestions that will help them to achieve their cost, schedule, and quality objectives. Our PMOC experience has provided demonstrated expertise in conducting quality assurance audits of grantee performance, including Project Management Plan (PMP) compliance verification. We develop check lists for identification of key performance measurement criteria, conduct thorough reviews, prepare findings, and follow issues to their ultimate disposition. KKCS policy dictates regular QA reviews to assure compliance, not only with the PMP but with best management practices.

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Follow-up actions are dictated by findings of each review. Generally, these actions involve strengthening processes or procedures to ensure consistency and accuracy, as well as documentation enhancement. We have developed and implemented Quality procedures on a variety of public works and private projects that have been proven and effective.

SAFETY

Construction safety is paramount to our PMOC effort. The KKCS emphasis on safety is best exemplified by our safety record, where employees have logged over 600,000 hours on construction sites without a single lost-time accident. With our corporate emphasis on safety, we are well-versed in grantee safety "best management practices" and provide proper monitoring and reporting to the FTA. Safety issues are prominent in our monthly reporting to the FTA.

CAPACITY & CAPABILITY REVIEWS

For each New Starts Project, a Grantee Capacity & Capability Review is done to assess project sponsor ability to complete the project within cost and schedule baselines and according to the project plans and specifications. We are well-versed in preparing these assessments, along with corresponding Spot Reports. With regard to grantee capability, our approach utilizes the PMP as the cornerstone of this effort. We determine if key project management understand the processes and interfaces as described in the PMP, along with an assessment of each staff member's qualities and capabilities relative to his or her past experience and current assignment responsibilities. Resulting Spot Reports reflect findings that are balanced, fair, and professionally presented. Throughout this process, our focus remains providing value-added input to each grantee and assistance in achieving project objectives. When grantee capacity issues arise, we suggest where staff augmentation is prudent, and/or organizational and reporting structures could be adjusted.

SPECIALTY CONSULTANTS

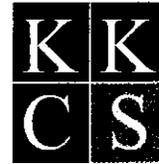
Recognizing the need for proper PMOC staff augmentation to provide the right mix of qualities, capabilities, and experience, we recognize that specialty consultants are required in any PMOC effort. To this end, KKCS maintains relationships with many companies who can act as sub-consultants for the PMOC effort, to include the areas of real estate, statistical risk assessments, vehicle acquisitions, maintenance and operations, tunneling, and other areas. These specialty consultants will be enlisted to provide input on cost, schedule, as well as operational perspectives.

REPORTING

KKCS has prepared numerous monthly reporting throughout the years. By way of example, KKCS prepared the Monthly Project Managers Status Report (PMSR) for the Los Angeles Vehicle Acquisition Project. This report contained a summary narrative highlighting critical issues, the current master schedule, detailed cost and schedule analysis and various other reports. The detailed reports included cost status comparing actual costs incurred to budget, schedule status comparing actual progress to planned progress, and cost and schedule variances. Additionally, the report contained areas of concern and potential issues that could impact the project.

Monthly Reports. Key to the PMOC effort is the maintenance of reliable and timely reporting to the FTA. On a routine basis, this involves preparation of Monthly Reports for each grantee with information crafted in accordance to specific FTA guidance and templates. Through the years, KKCS has maintained primary responsibility for routine monthly reporting on the Seattle Link Light Rail Project, Seattle Sounder Project, the Amtrak/Folsom Light Rail Project, the South Corridor Phase 1 Project, and the South Corridor Phase 2 Project, the Tasman West Light Rail Project, the Los Angeles Eastside Extension Project. We understand the importance of communicating clear

CAPABILITIES STATEMENT



and concise information in the monthly reports, to avoid surprises later on and clearly depict not only the status but issues with the potential to affect the Federal objectives.

Spot Reports. The reporting function also includes the preparation of Spot Reports. With the concurrence of each FTA Regional Office, KKCS has participated in the preparation of many Spot Reports that relate to cost or schedule performance, quality, or grantee technical capability and capacity, and other issues. We have also evaluated and reported on adequacy of Project Management Plans, Real Estate Acquisition & Relocation Plans, Vehicle Maintenance & Operations Plans, and other project documentation. As a part of this effort, we provide meaningful suggestions to grantees as "value-added" assistance in achieving project objectives.

Project Review Reports. The Project Review process, including New Starts Reviews, also results in detailed reporting to the FTA. As a part of this process, we review grantee cost and schedule planning to determine if it properly reflects the project scope, and we provide an overall "reasonableness check" of the grantee's approach to completing the work. Our review reflects a careful balance of assisting the grantee to ultimately identify a budget baseline that is reasonable and achievable, recognizing cost-effectiveness perspectives that also need to be addressed. Reports are prepared according to FTA formats.

Risk Assessments. The key activity in this effort is a thorough review and assessment of project risk. We are well-versed in developing risk assessments through the FTA's formal risk assessment process. This process includes identification of project risks, application of these risk factors to a statistical analysis process and resulting probability factor, and ultimately the establishment of contingency adequate to address these risks. We monitor the resulting Risk Register for each project to assure that grantee's are exercising every option to identify and mitigate risks early-on. |

Final Reports. We have prepared Final Reports or participated in the preparation of Final Reports on several projects that include Los Angeles Metro's Red Line Segment 2 and Segment 3-North Hollywood projects, San Jose Valley Transportation Authority's Tasman West Project, and Sacramento's South Corridor Phase 1 Project. We assure that Final Reports are in accordance with FTA Guidance and reflect the current status of the project.

QUARTERLY FTA MEETINGS

We have participated in FTA Quarterly Review meetings for the past ten years and understand the role these meetings play in bringing together all project stake-holders to a common understanding of the current project status and actions required. We develop agendas that advance the meetings in a meaningful way, provide the proper basis for reviewing and understanding the project status, and result in the identification of Action Items for resolution. At the conclusion of each meeting, we provide a written report.

VALUE ENGINEERING

KKCS was involved in Value Engineering since its inception. The firm's founder, Kal Krishnan has been a certified Value Engineering Specialist by the Society of American Value Engineers. To this end, our corporate history provides the ideal foundation on which to participate in FTA-mandated Value Engineering Workshops during the Preliminary Engineering Phase of projects. We recognized the importance of this effort and, through our past experience, provide value-added input with respect to obtaining maximum value for each dollar invested. We understand the process completely, as it meets DOT, DOD, EPA and GSA criteria.

SAMPLE PROJECT EXPERIENCE



Example Transit Projects - Program and/or Construction Management Services:

- Los Angeles Metro Red Line HRT Projects, Segments 1, 2, and 3
- Los Angeles Metro LRT Projects (Long Beach & Pasadena)
- Los Angeles Metro LRT Conceptual Engineering Projects (Foothill & Westside Extensions)
- Denver Fastracks West Corridor Light Rail Project
- Central Phoenix/East Valley Light Rail Project
- San Francisco Third Street Light Rail Project
- Badger Avenue Bridge & Rail Relocation Project, Port of Los Angeles
- Alameda Mid-Corridor Design/Build Project
- Alameda East-Corridor Design/Build Project
- BART Elevator Communication and CCTV Modifications Project
- BART Extension Projects (Colma & Pittsburg/Antioch)
- BART Additional Power Stations Project
- BART Seismic Retro-Fit Project
- BART San Jose Extension Project
- San Diego Trolley Santa Fe Depot TPSS Project

Example Transit Projects - Project Management Oversight (PMO) Services:

- Seattle Link Light Rail Project (Gannett Fleming & STV)
- Seattle Sounder Commuter Rail Project (Gannett Fleming)
- Los Angeles Eastside Extension Project (Hill International)
- Los Angeles Exposition Light Rail Project (Hill International)
- Sacramento South Corridor Phase 1 Project (Gannett Fleming)
- Sacramento South Corridor Phase 2 Project (Gannett Fleming)
- Sacramento Amtrak/Folsom Corridor Project (Gannett Fleming)
- San Jose Tasman West Project (Gannett Fleming)
- Dallas Light Rail Project (Stone & Webster)
- Houston Bus Rapid Transit Project (Stone & Webster)
- Dulles-Washington D.C. Commuter Rail Project (Hill International)
- Wilmington to Newark Commuter Rail Project (Hill International)
- Central Florida Commuter Rail Project (Hill International)
- Philadelphia Market Street Elevated Light Rail & Silverliner Rail Car Procurement Projects (Hill International)