



Memorandum

To: Gerald Sokol, Jr.
Executive Vice President/Chief Financial Officer

David R. Warren

From: David R. Warren, Assistant Inspector General, Audits

Date: March 9, 2015

Subject: Engagement Memo—Assessing the Efficiency and Effectiveness of Management Processes for Utilizing Master Service Agreements (Project code 008-2015)

During our annual planning process, we identified the use of master service agreements (MSAs) as a future audit area. We understand that existing agreements have a value of about \$177 million dollars and some MSAs are in effect for multiple years. The objective of this audit will be to determine the efficiency and effectiveness of using MSAs and how well they are managed in terms of their cost, schedule, and performance.

During the audit we plan to interview company officials, review MSAs in place as January 1, 2015, and analyze documents associated with the use of MSAs. We will also assess the comparative costs and benefits of using other resources and contractual approaches to meeting service needs. Our requests for documents will be made as our work progresses. We will work to minimize the impact of the audit by coordinating interviews and observations with staff in advance.

Our work will be performed in accordance with generally accepted government auditing standards. Our interactions with the company will be consistent with P/I2.1.3 which sets forth the relationship between our office and the company. In particular, section 7.0 of the policy discusses coordination between company officials and our office of audits. To view this policy, see

<http://wiki.corp.nrpc/display/APIM20/2.0+Inspector+General>

We request that your office arrange an entrance conference for us with the appropriate company officials at the earliest possible date. We will keep you advised of the status of our work and any material changes in our objective, should they occur.

Carl Manora will be the audit manager for this engagement and reports to Jason Venner, Senior Director-Lead. If you have any questions, please contact me at (202) 906-4742 (David.Warren@amtrakoig.gov) or Jason Venner at (202) 906-4405 (Jason.Venner@amtrakoig.gov).

cc: DJ Stadtler, Jr., Executive Vice President/Chief Operations Officer
Jason Molfetas, Executive Vice President/Chief Information Officer
Matt Hardison, Executive Vice President/Chief Marketing and Sales Officer
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