



ACELA CAR PURCHASE:

Questioned Costs Identified in Price Proposal

Report Summary

Because this report may contain contractor proprietary or confidential data subject to a nondisclosure agreement, we are providing a summary of the report only.

Summary Report No. OIG-A-2013-002 | December 4, 2012





Date: December 4, 2012

Subject: *Acela Car Purchase: Questioned Costs Identified in Price Proposal*
(Summary Report No. OIG-A-2013-002)

On February 27, 2012, Amtrak received a price proposal to deliver 40 Acela coach cars. Given the high dollar value and Amtrak's plan to award a sole-source contract, we initiated a review of the price proposal to determine whether it was based on well-supported and reasonable cost and pricing data.

SUMMARY OF RESULTS

The price proposal contained amounts that, in some cases, were not based on well-supported and/or reasonable cost data. As a result, we questioned those costs.

The price proposal included *Comments to the General Provisions and to the Supplementary General Provisions*. We did not analyze these comments to determine their impact upon the pricing, but observed that the comments suggested modifications to significant terms and conditions in the request for proposal, including the audit provision.

RECOMMENDATIONS

We recommended that Amtrak's Chief Logistics Officer

1. use the information in the report to help negotiate a lower contract price, and
2. retain the audit provision set forth in the request for proposal in the terms and conditions of the final contract.

Amtrak Office of Inspector General
Acela Car Purchase: Questioned Costs Identified in Price Proposal
Summary Report No. OIG-A-2013-002, December 4, 2012

MANAGEMENT COMMENTS AND OIG ANALYSIS

In commenting on a draft of this report, Amtrak's Chief Logistics Officer agreed with our recommendations. In October 2012, Amtrak decided to forgo purchasing the additional Acela coach cars. As a result, Amtrak has avoided all costs associated with this purchase. Based on this information, a portion of Amtrak's cost avoidance is attributable to our report.

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Amtrak Office of Inspector General
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 Summary Report No. OIG-A-2013-002, December 4, 2012

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