
From: James.Ryan@dot.gov
To: Scheibe, Mark
Sent: 9/10/2009 11:03:45 AM
Subject: RE: Cost Escalation

Mark:

As impertinent questions go, that's a pretty good one.

I'd characterize FTA's view as one that has Jacobs in a review role, looking at whatever you produce. Jacobs' recommendations are technically just that -- recommendations to FTA. So, FTA anticipates that you will continue to develop your own forecasts of escalation -- and everything else.

But I'm not sure there's anyone in FTA who will disagree with recommendations made by our PMOCs. We are very highly dependent on the contractors for expertise, as you have probably recognized. So, there's a reasonable likelihood that Jacob's recommendations will become FTA's mandates.

Not a pretty picture.

Jim

From: Scheibe, Mark [mailto:Scheibe@pbworld.com]
Sent: Thu 9/10/2009 4:16 PM
To: Ryan, James (FTA)
Subject: Cost Escalation

Jim,

Pardon the impertinent question, but are we now dependent on Jacobs Engineering Group providing escalation rates as we move forward? We developed an approach to estimating escalation rates that we planned to continue to use and prepare new estimates as economic conditions change.

Mark

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