

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 941

IN THE MATTER OF:

Served April 18, 1969

Cost Allocation Study of)
Fares Charged by D. C.)
Transit System, Inc.)

On October 8, 1968, the United States Court of Appeals for the District of Columbia Circuit in Thomas E. Payne et al. v. Washington Metropolitan Area Transit Commission (Case No. 20,714) directed the Commission to undertake a cost allocation study in order to determine if the fares charged by D. C. Transit System, Inc., are unduly discriminatory and unduly preferential between various riders or sections of the Washington Metropolitan District. Subsequently, we directed the staff to engage a consultant to conduct such a study.

The staff has advised us that it solicited proposals to conduct such a study, that several proposals were received, and that it has selected the firm of Alan M. Voorhees & Associates, Inc.

Due to the unique aspects of the tasks involved in making this study, the Voorhees firm indicated its willingness to accept a "time and materials" contract with an "upset price" of \$30,000; this involves reimbursement of the consulting firm only for costs actually incurred in the study, with an absolute ceiling price of \$30,000, unless an additional expenditure is specifically authorized by this Commission. The consulting firm recognizes the necessity for the maintenance of close contact between it and the Commission staff during the entire progress of the assignment.

We have reviewed the proposal of Alan M. Voorhees & Associates, Inc., and find that its proposal is satisfactory and that the sum of \$30,000 is reasonable and necessary to cover the expense of that study.

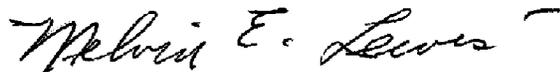
Pursuant to Article XII, Section 19 of the Compact, we will assess D. C. Transit System, Inc. for the cost of this study.

THEREFORE, IT IS ORDERED:

1. That D. C. Transit System, Inc., be, and it is hereby, assessed the sum of \$30,000 which we have found to be reasonable and necessary to cover the expense of the study ordered to be conducted.

2. That D. C. Transit System, Inc., deposit such sum in the name and to the credit of the Washington Metropolitan Area Transit Commission, in the Old Dominion Bank, Rosslyn Branch, 1901 North Fort Myer Drive, Arlington, Virginia. Of such sum, \$10,000 shall be so deposited on or before April 28, 1969; additional sums shall be deposited upon notification by the Executive Director of the Commission, based upon billings received from the consultants as the work progresses.

BY DIRECTION OF THE COMMISSION:



MELVIN E. LEWIS
Executive Director