



**OPERATIONS COMMITTEE  
MAY 19, 2005**

**SUBJECT: 2550 RAIL VEHICLE PROGRAM**

**ACTION: RECEIVE AND FILE**

**RECOMMENDATION**

Receive and file the quarterly report on the 2550 Rail Vehicle Program for the period December 2004 through March 2005.

**ISSUE**

On April 24, 2003, the Board awarded two key contracts to the Program:

- A five-year contract to AnsaldoBreda S.p.A. (AnsaldoBreda) for a base buy fleet of 50 LRVs (LRV). These 50 LRV's will be utilized for both the current Pasadena Gold-Line and the future Metro Gold-Line Eastside Extension. These LRV's will also be designed to operate on any existing or future light rail alignment(s), which the Metro operates.
- A rail-consulting contract to LTK Engineering Services (LTK) for as-needed technical support to the Program.

In addition, the Board directed staff to provide quarterly updates on the status of the Program.

**BACKGROUND**

Based on the lessons-learned with the P2000 LA Standard Car contract, Rail Operations created an LRV Integrated Project Team (IPT) responsible for managing the Program. An IPT is established whenever a capital project of significant importance requires a very dedicated management team with the ability to act and react quickly to Program issues.

For this Program, the IPT is organized under Rail Fleet Services and consists of the Project Manager, Deputy Project Manager, Contract Administration Manager, Senior Contract Administrator and fully dedicated staff from other Metro departments including Engineering. The IPT also benefits from the support of as-needed specialty engineering services through the Program's contract with LTK, one of America's oldest and largest rail-transportation consulting firms.

The additional engineering participation provided by LTK is an integral part of the IPT and its ability to expeditiously respond to specific engineering issues as they arise, for example, in the areas of signaling and automatic train control expertise. The IPT's primary focus is dedicated towards on-time delivery, within program budget, and on the successful integration of the systems and subsystems affecting the LRV.

**PROGRAM STATUS**

**1. Summary Status: December 2004 through March 2005:**

The various activities and accomplishments of the IPT noted below are designed to expedite and maintain the 2550 Rail Vehicle Program schedule to deliver 50 LRVs to Metro by June 2007.

<b>The IPT Activities On The 2550 LRV Contract with AnsaldoBreda</b>	
<b>Activities or Accomplishments</b>	<b>Month</b>
Description	December 2004
1. The IPT conducts First Article reviews with subcontractor and suppliers in Italy, and France for the LRV couplers, passenger doors, header signage and communications.	
2. The IPT conducts on-going weekly conference calls with project staff in Los Angeles, New York, Pistoia, and Naples Italy. The teleconferences discuss the status of Contract submittals, reviews and approvals, specific design issues and planned activities for the week.	
Description	January 2005
1. The IPT conducts on-going weekly conference calls with project staff in Los Angeles, New York, Pistoia, and Naples Italy. The teleconferences discuss the status of Contract submittals, reviews and approvals, specific design issues and planned activities for the week.	
2. Reviews were also conducted surrounding first article inspection of the first LRVs, numbers 701 & 702. These reviews covered current status, production phases, and system integration testing for all carborne systems in the Pistoia, Italy production plant.	
Description	February 2005
1. Project schedule and program overview was conducted in Pistoia, Italy.	
2. The IPT conducted on-going weekly conference calls with project staff in Los Angeles, New York, Pistoia, and Naples Italy. The teleconferences discussed the status of Contract submittals, reviews and approvals, specific design issues and planned activities for the week.	
3. The General Manager of Rail Operations and the Deputy Executive Officer of Rail Operations, Fleet Services traveled from the end of February through the first part of March 2005 to the production plants for meetings with AnsaldoBreda executive staff and their 2550 project team relating the 2550 rail car program.	

Description	March 2005
1. The 2550 Project Team currently has members in the production plants witnessing and finalizing system testing and carborne integration testing.	
2. The IPT conducts on-going weekly conference calls with project staff in Los Angeles, New York, Pistoia, and Naples Italy. The teleconferences discuss the status of Contract submittals, reviews and approvals, specific design issues and planned activities for the week.	
3. Reviews were conducted of production line for invertors, traction motors, auxiliary power supplies, and low voltage power supply systems.	
<b>P2550, LRV Contract Paid To Date</b>	
<b>\$34,585,243*</b>	

\*As of 3/31/05

<b>LTK Activities Through The PS 8310-1267, Rail Consulting Contract with Metro</b>	
Activities or Accomplishments	Month
1. Participates in all weekly IPT technical meetings. These are the in-house meetings to discuss status and Metro technical positions prior to the weekly teleconferences with AnsaldoBreda.	December 2004
2. Participates in all weekly 2550 Program technical teleconference calls with AnsaldoBreda. LTK's technical expertise in certain areas, such as systems integration and electrical systems, is a beneficial augmentation to the IPT's expertise.	
3. Reviews and provides comments and recommendations to all AnsaldoBreda Technical Submittals. LTK's technical expertise is especially valuable in the review of certain technical documentation from AnsaldoBreda.	Through
4. Attends and participates at meetings with AnsaldoBreda in Los Angeles. LTK's experience with previous Metro LRV procurements provides insight into lessons-learned.	
5. Attends and participates at meetings with AnsaldoBreda in Pistoia, Naples, and various subcontractor sites in the U.S. and Europe. LTK's experience with LRV manufacturers is an asset to the IPT.	March 2005
<b>PS 8310-1267, Rail Consulting Contract Paid to Date</b>	
<b>\$2,151,972**</b>	

\*\*As of 3/31/05

## 2. Discussion of Status

The General Manager of Rail Operations and the Deputy Executive Officer of Rail Operations, Fleet Services held meetings with the following AnsaldoBreda executive management:

- The CEO of AnsaldoBreda, responsible for their global light, commuter and high-speed rail production;

- The Deputy Industrial Director & Executive Vice President of AnsaldoBreda, who directly oversees all AnsaldoBreda global rail car production; and
- The CEO and COB of Breda Transportation, Inc., responsible for rail transportation projects in the U.S. market.

These AnsaldoBreda executives have all committed AnsaldoBreda to the on-schedule delivery of the first two light rail cars to Los Angeles this June 2005. The AnsaldoBreda executives declared that they will also be in Los Angeles in June 2005 to personally accompany the delivery of the first two 2550 light rail cars. AnsaldoBreda executives are not only anxious to witness the introduction of the new light rail cars to Los Angeles, but want to demonstrate their support for the project and commitment to a successful program.

The above-mentioned executives as well as their staff report to the Senior Vice President of Finmeccanica, the parent holding company of AnsaldoBreda. Therefore, executive management conducted meetings with the Senior Vice President of Finmeccanica, Finmeccanica-held companies not only provide for rail car production, but also such lines of business such as communications, signaling, aeronautical, construction, and aerospace. One current Finmeccanica project involves the design, engineering, and production phases of a new helicopter fleet for the Office of the President of the United States.

AnsaldoBreda has commenced mobilization of the Pittsburg, California assembly plant to comply with the Contract's Buy America-required final-assembly in the United States. This facility is contractually required and is essential for AnsaldoBreda and the IPT to more efficiently coordinate and oversee the final assembly and shipping operation between the two California locations of Pittsburg and Los Angeles.

The IPT is currently reviewing the Contract submittals from AnsaldoBreda of the final design details of specific LRV system elements. The IPT will grant approval if the submittals meet the Contract requirements.

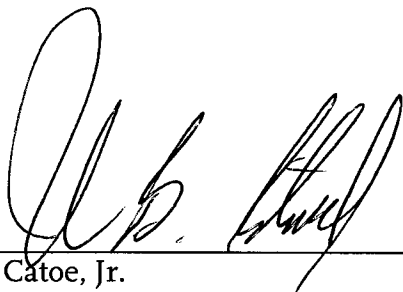
### **NEXT STEPS**

During this period the IPT will continue closely monitoring and expediting where necessary for all scheduled activities involved in constructing and supporting the 2550 rail vehicle.

The LRV car shell production continues in Pistoia, Italy in support of the new rail-car fleet. Presently structural floors, sidewalls, and roofs are being assembled on the production line using automated as well as manual cutting, welding, and assembling procedures. There is a full-time Metro on-site inspector provided by the LTK contract to verify the quality and attention to detail during all phases of assembly of the fleet. This inspection program will continue in Italy and Pittsburg, California through Contract completion.

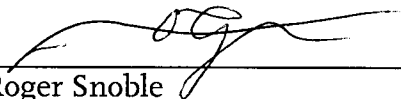
The 2550 Integrated Project Team will continue to have members in the production plants witnessing and finalizing system testing and carborne integration testing.

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