

2550 RAIL VEHICLE PROGRAM

QUARTERLY PROJECT STATUS REPORT

THE PREPARATION OF THIS DOCUMENT HAS BEEN FINANCED IN PART THROUGH A GRANT FROM THE U. S. DEPARTMENT OF TRANSPORTATION, FEDERAL TRANSIT ADMINISTRATION (FTA), UNDER THE FEDERAL TRANSIT ACT OF 1964, AS AMENDED, AND FUNDS FROM THE STATE OF CALIFORNIA.

TABLE OF CONTENTS

	Page No.
Project Overview.....	1
Management Issues.....	2
Project Status	
• Schedule	3
○ Key Milestones Six-Month Lookahead	
○ Summary Schedule.....	4
○ 50-Car Buy Delivery Schedule.....	5
○ Schedule Narrative.....	6
• Project Cost Status.....	7
• Fiscal Year Cashflow.....	8
• Change Control Status.....	9
• Financial/Grant Status.....	10
Appendices.....	11-12

PROJECT OVERVIEW

The base contract for the first fifty LRV cars is with AnsaldoBreda, S.p.A. of Naples, Italy. This contractor is one of several leading manufacturers of both heavy and light rail vehicles. AnsaldoBreda plans to dedicate one entire assembly line to the production of the 2550 light rail vehicles for the MTA. In the past, AnsaldoBreda satisfactorily designed, manufactured, and delivered one hundred-four A650 heavy rail vehicles that are presently in use on the MTA's Metro Red Line.

The 2550 contract also includes two 50-LRV pre-priced options for future growth, expansions, and new lines. These options will require future Board approval in order to become a binding contract requirement.

Project accomplishments through the period ending June 2004 included:

- 1:** The MTA Integrated Project Team (IPT) and AnsaldoBreda performed on-site vendor-surveys of the HVAC subcontractor and the gearbox subvendor.
- 2:** The IPT performed on-site review of the 2550 LRV car structure fabrication and assembly area. The IPT also reviewed and approved the final operators cab layout with AnsaldoBreda using the full-scale operator's cab hard mock-up at the AnsaldoBreda (AB) Pistoia, Italy Plant.
- 3.** Members of the IPT, AnsaldoBreda and the appropriate subcontractor completed the Final Design Reviews of the seating, interiors, lighting, pantograph, communications, ATP/TWC, and the wheels and axles in Los Angeles.
- 4.** Members of the IPT, AnsaldoBreda and the appropriate subcontractor completed the First Article Inspection of the Coupler assembly in Sweden, Europe.
- 5.** The IPT conducted 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.
- 6.** Members of the IPT, AnsaldoBreda and the appropriate subcontractor completed the Final Design Reviews of the seating, interiors, lighting, pantograph, communications, ATP/TWC, and the wheels and axles in Los Angeles.

MANAGEMENT ISSUES

Concern No. 1: The compatibility of the carborne ATP and TWC with the wayside equipment of MTA's on the three operating light rail lines is a requirement of the Contract. This is a reliability area, which the IPT has chosen to give increased focus.





Status/Action The MTA's IPT met with the Contractor, AnsaldoBreda and the subcontractor, Union Switch and Signal, at MTA offices in Los Angeles during June 23-June 29, 2004. A detailed Final Design Review and analysis meeting was held among the technical staff with the First Article Inspection scheduled for next quarter.

Concern No. 2: Continuing Final Design Reviews by the IPT on the Project indicate that AnsaldoBreda is current or ahead of schedule with the vehicle fabrication and the required design elements. However, the IPT continues to focus on IPT comments and AnsaldoBreda document re-submittals.

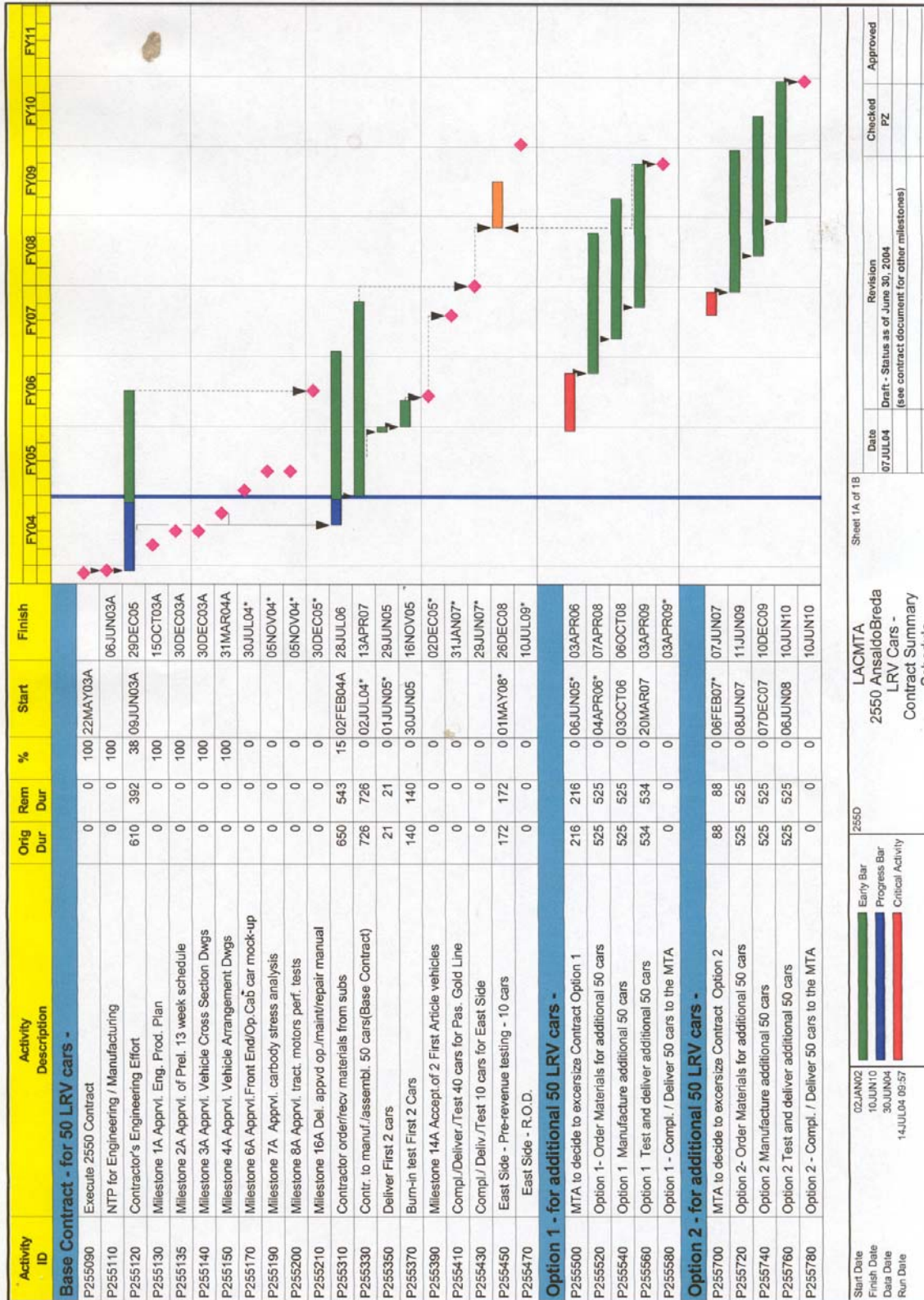
Status/Action AnsaldoBreda has hired a consultant to assist in expediting the document preparation and improve the quality of contract submittals. The quality and completeness of the CDRLs and contract document submittals has improved but continues to be a focus of the IPT.

KEY MILESTONE SCHEDULE SIX-MONTH LOOKAHEAD

	Milestone Date	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04
6A-Approval of Front End and Operator Cab Car Mock-up	6/4/2004	○					
7A-Approval of Carbody Stress Analysis and Compression Test Reports	11/5/2004						○
8A-Approval of Traction Motors Performance Tests	11/5/2004						○

 MTA Staff Milestone	 AnsaldoBreda, S.p.A Deliverables	FTA FTA Approval
 Other Agencies	* New Date	 Metro MTA Board Approval

SUMMARY SCHEDULE



Sheet 1A of 18

2550

Start Date: 02JAN02
 Finish Date: 10JUN10
 Data Date: 30JUN04
 Run Date: 14JUL04 09:57

LACMTA
 2550 AnsaldoBreda
 LRV Cars -
 Contract Summary
 Schedule

Date: 07JUL04
 Revision: Status as of June 30, 2004
 Draft - Status as of June 30, 2004
 (see contract document for other milestones)

Legend:
 Early Bar (Green)
 Progress Bar (Blue)
 Critical Activity (Red)

Checked: PZ
 Approved: [Signature]

**50-CAR BUY DELIVERY SCHEDULE
METRO PASADENA GOLD LINE**

FISCAL YEAR	VEHICLE NUMBERS	MONTHS AFTER JUNE 6, 2003 NTP	DELIVERY DATE
05	701 & 702	24 MONTHS	6/05
06	703	26 MONTHS	8/05
	704	27 MONTHS	9/05
	705 & 706	28 MONTHS	10/05
	707 & 708	29 MONTHS	11/05
	709 & 710	30 MONTHS	12/05
	711 & 712	31 MONTHS	1/06
	713 & 714	32 MONTHS	2/06
	715 & 716	33 MONTHS	3/06
	717 & 718	34 MONTHS	4/06
	719 & 720	35 MONTHS	5/06
	721 & 722	36 MONTHS	6/06
07	723 & 724	37 MONTHS	7/06
	725 & 726	38 MONTHS	8/06
	727 & 728	39 MONTHS	9/06
	729 & 730	40 MONTHS	10/06
	731, 732 & 733	41 MONTHS	11/06
	734, 735 & 736	42 MONTHS	12/06
	737, 738 & 739	43 MONTHS	1/07
	740	44 MONTHS	2/07

METRO GOLD LINE EASTSIDE EXTENSION

FISCAL YEAR	VEHICLE NUMBERS	MONTHS AFTER JUNE 6, 2003 NTP	DELIVERY DATE
07	741 & 742	44 MONTHS	2/07
	743, 744 & 745	45 MONTHS	3/07
	746, 747 & 748	46 MONTHS	4/07
	749 & 750	47 MONTHS	5/07
	-----	48 MONTHS	6/07

* Pending the execution of the no-cost administrative Contract Modification No. 1 in July 2004.

SCHEDULE NARRATIVE

Notice to proceed was given June 6, 2003. The base contract engineering effort will take approximately two years and the delivery of the first two cars is scheduled for June 2005. The 50 cars base contract delivery will be divided between the Metro Pasadena Gold Line (40 cars) the Metro Gold Line Eastside Extension (10 cars). The last (fiftieth) base contract LRV is scheduled for delivery in 48-months after NTP, or at approximately May 2007.

The original delivery rate planned by the contractor is two LRVs per month. The schedule has been re-negotiated so that after the delivery of the first two cars in June 2005, the Contractor may use the following two months (July/August 2005) for mitigating any early production problems. The contractor will accelerate production rate later on to three LRVs per month in order to compensate for any early production delays. The revised delivery dates in the contract have liquidated damages assessments that can be imposed for late LRV car deliveries.

The 2550 contract contains two options, which, if exercised, would extend the contract up to another two years each. The options will only be awarded subject to adequate funding and MTA Board approval.

Option No. 1 for 50 LRVs may be exercised at 24 months after NTP, but no later than 34 months after the Base Order Notice to Proceed or approximately April 2006. Option No. 2 for 50 LRVs may be exercised at 42 months after NTP, but no later than 48 months after the Base Order Notice to Proceed or approximately June 2007.

As of June 2004, the Contractor completed milestones 1A, 2A, 3A, and 4A. Physical completion as of June 2004 is 27%.

PROJECT COST STATUS

ELEMENT	LRV PROJECT BUDGET FOR 800151 (PASADENA)	LRV PROJECT BUDGET FOR 800088 (EASTSIDE)	TOTAL LRV PROJECT BUDGET	COMMENTS
Base Buy 50 LRVs	\$119,734,000	\$29,933,500	\$149,667,500	40 LRVs for the Pasadena Gold Line and 10 LRVs for the Eastside Line
Base Buy Spare Parts	\$5,849,886	\$1,462,471	\$7,312,357	
Base Buy Special Tools & Test Equip	\$1,407,051	\$351,763	\$1,758,814	
Subtotals	\$126,990,937	\$31,747,734	\$158,738,671	
Contingency	\$12,699,094	\$3,174,773	\$15,873,867	.
Subtotals	\$139,690,031	\$34,922,507	\$174,612,538	
Rail Consultant				
Rail Consultant	\$6,870,830	\$1,717,707	\$8,588,537	Contract PS 8310-1267 for Rail Consultant staff technical services
Contingency	\$343,542	\$85,885	\$429,427	
Subtotals	\$7,214,372	\$1,803,592	\$9,017,964	
MTA Staff				
MTA Staff	\$6,014,602	\$1,577,798	\$7,592,400	MTA staff on the Integrated Project Team
TOTALS	\$152,919,004	\$38,303,898	\$191,222,902	

3/31/03

FISCAL YEAR CASH FLOW

Metro CONTRACT NO. P2550, LIGHT RAIL VEHICLES MILESTONE PAYMENT CASHFLOW SCHEDULE BY PROJECT, MONTH, & FISCAL YEAR 16 JUNE 2004 Rev 0* (Supersedes 14 June 2004 Rev 0)												
Mos After June 6 2003 (FY04) NTP	Contract Table A Contract Milestone Payments [80% PGL]	Contract Table A Contract Milestone Payments [20% ESGL]	Contract Table B Individual Milestone Payments [10 LRVs ESGL]	Contract Table B Individual Milestone Payments [40 LRVs PGL]	Contract Table C Spare Parts Delivery Milestone Payments [80% PGL]	Contract Table C Spare Parts Delivery Milestone Payments [80% ESGL]	PASADENA PASADENA Milestone Payment Totals	EASTSIDE EASTSIDE Milestone Payment Totals	EASTSIDE EASTSIDE FISCAL YEAR TOTALS	Metro™ CONTRACT NO. P2550 TOTALS BY MONTH	P2550 Contract Sched Payment Date	Metro™ CONTRACT NO. P2550 TOTALS BY FY
Jul-03	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Jul-03	\$0
Aug-03	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Aug-03	\$0
Sep-03	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Sep-03	\$0
Oct-03	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Oct-03	\$0
Nov-03	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Nov-03	\$0
Dec-03	\$5,530,439*	\$5,530,439*	\$0	\$0	\$0	\$0	\$22,121,755	\$5,530,439	\$5,530,439	\$27,652,194	Dec-03	\$27,652,194
Jan-04	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Jan-04	\$0
Feb-04	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Feb-04	\$0
Mar-04	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Mar-04	\$0
Apr-04	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Apr-04	\$0
May-04	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	May-04	\$0
Jun-04	\$5,530,439	\$1,382,610	\$0	\$0	\$0	\$0	\$5,530,439	\$1,382,610	\$6,913,049	\$6,913,049	Jun-04	\$6,913,049
Jul-04	\$3,318,263	\$829,566	\$88,487	\$22,122	\$0	\$0	\$3,406,750	\$851,688	\$4,258,438	\$4,258,438	Jul-04	\$4,258,438
Aug-04	\$0	\$0	\$88,487	\$22,122	\$0	\$0	\$88,487	\$22,122	\$110,609	\$110,609	Aug-04	\$110,609
Sep-04	\$3,318,263	\$829,566	\$88,487	\$22,122	\$0	\$0	\$3,406,750	\$851,688	\$4,258,438	\$4,258,438	Sep-04	\$4,258,438
Oct-04	\$3,318,263	\$829,566	\$88,487	\$22,122	\$0	\$0	\$3,406,750	\$851,688	\$4,258,438	\$4,258,438	Oct-04	\$4,258,438
Nov-04	\$0	\$0	\$88,487	\$22,122	\$0	\$0	\$88,487	\$22,122	\$110,609	\$110,609	Nov-04	\$110,609
Dec-04	\$0	\$0	\$88,487	\$22,122	\$0	\$0	\$88,487	\$22,122	\$110,609	\$110,609	Dec-04	\$110,609
Jan-05	\$0	\$0	\$309,705	\$77,426	\$0	\$0	\$309,705	\$77,426	\$387,131	\$387,131	Jan-05	\$387,131
Feb-05	\$0	\$0	\$309,705	\$77,426	\$0	\$0	\$309,705	\$77,426	\$387,131	\$387,131	Feb-05	\$387,131
Mar-05	\$0	\$0	\$243,340	\$60,835	\$0	\$0	\$243,340	\$60,835	\$304,175	\$304,175	Mar-05	\$304,175
Apr-05	\$1,108,088	\$276,522	\$353,948	\$88,487	\$0	\$0	\$1,466,036	\$365,009	\$1,825,045	\$1,825,045	Apr-05	\$1,825,045
May-05	\$0	\$0	\$553,043	\$138,261	\$0	\$0	\$553,043	\$138,261	\$691,304	\$691,304	May-05	\$691,304
Jun-05	\$0	\$0	\$774,262	\$193,565	\$0	\$0	\$774,262	\$193,565	\$967,827	\$967,827	Jun-05	\$967,827
Jul-05	\$0	\$0	\$508,803	\$127,201	\$0	\$0	\$508,803	\$127,201	\$636,004	\$636,004	Jul-05	\$636,004
Aug-05	\$0	\$0	\$927,298	\$149,322	\$3,628,468	\$907,117	\$4,225,756	\$1,056,439	\$5,282,195	\$5,282,195	Aug-05	\$5,282,195
Sep-05	\$3,318,263	\$829,566	\$132,730	\$33,183	\$0	\$0	\$3,450,993	\$862,749	\$4,313,742	\$4,313,742	Sep-05	\$4,313,742
Oct-05	\$0	\$0	\$1,106,088	\$276,522	\$0	\$0	\$1,106,088	\$276,522	\$1,382,608	\$1,382,608	Oct-05	\$1,382,608
Nov-05	\$11,060,876	\$2,765,220	\$973,356	\$243,336	\$0	\$0	\$12,034,232	\$3,003,559	\$15,042,791	\$15,042,791	Nov-05	\$15,042,791
Dec-05	\$0	\$0	\$1,526,401	\$381,600	\$0	\$0	\$1,526,401	\$381,600	\$1,908,001	\$1,908,001	Dec-05	\$1,908,001
Jan-06	\$0	\$0	\$1,238,818	\$309,705	\$0	\$0	\$1,238,818	\$309,705	\$1,548,523	\$1,548,523	Jan-06	\$1,548,523
Feb-06	\$0	\$0	\$1,570,645	\$392,661	\$0	\$0	\$1,570,645	\$392,661	\$1,963,306	\$1,963,306	Feb-06	\$1,963,306
Mar-06	\$0	\$0	\$2,234,297	\$558,574	\$0	\$0	\$2,234,297	\$558,574	\$2,792,871	\$2,792,871	Mar-06	\$2,792,871
Apr-06	\$0	\$0	\$2,300,862	\$575,165	\$0	\$0	\$2,300,862	\$575,165	\$2,875,827	\$2,875,827	Apr-06	\$2,875,827
May-06	\$0	\$0	\$2,212,174	\$553,043	\$3,628,469	\$907,117	\$5,640,642	\$1,460,161	\$7,100,803	\$7,100,803	May-06	\$7,100,803
Jun-06	\$0	\$0	\$2,389,149	\$597,267	\$0	\$0	\$2,389,149	\$597,267	\$2,986,416	\$2,986,416	Jun-06	\$2,986,416
Jul-06	\$0	\$0	\$2,477,636	\$619,409	\$0	\$0	\$2,477,636	\$619,409	\$3,087,045	\$3,087,045	Jul-06	\$3,087,045
Aug-06	\$0	\$0	\$2,477,636	\$619,409	\$0	\$0	\$2,477,636	\$619,409	\$3,087,045	\$3,087,045	Aug-06	\$3,087,045
Sep-06	\$0	\$0	\$1,924,594	\$481,148	\$0	\$0	\$1,924,594	\$481,148	\$2,405,742	\$2,405,742	Sep-06	\$2,405,742
Oct-06	\$0	\$0	\$2,544,001	\$636,000	\$0	\$0	\$2,544,001	\$636,000	\$3,180,001	\$3,180,001	Oct-06	\$3,180,001
Nov-06	\$0	\$0	\$2,278,540	\$569,635	\$0	\$0	\$2,278,540	\$569,635	\$2,848,175	\$2,848,175	Nov-06	\$2,848,175
Dec-06	\$0	\$0	\$2,190,053	\$547,513	\$0	\$0	\$2,190,053	\$547,513	\$2,737,566	\$2,737,566	Dec-06	\$2,737,566
Jan-07	\$0	\$0	\$1,924,594	\$481,148	\$0	\$0	\$1,924,594	\$481,148	\$2,405,742	\$2,405,742	Jan-07	\$2,405,742
Feb-07	\$0	\$0	\$2,057,325	\$514,331	\$0	\$0	\$2,057,325	\$514,331	\$2,571,656	\$2,571,656	Feb-07	\$2,571,656
Mar-07	\$0	\$0	\$1,725,497	\$431,374	\$0	\$0	\$1,725,497	\$431,374	\$2,156,871	\$2,156,871	Mar-07	\$2,156,871
Apr-07	\$0	\$0	\$1,592,768	\$398,192	\$0	\$0	\$1,592,768	\$398,192	\$1,990,960	\$1,990,960	Apr-07	\$1,990,960
May-07	\$0	\$0	\$1,592,768	\$398,192	\$0	\$0	\$1,592,768	\$398,192	\$1,990,960	\$1,990,960	May-07	\$1,990,960
Jun-07	\$0	\$0	\$1,681,253	\$420,313	\$0	\$0	\$1,681,253	\$420,313	\$2,101,566	\$2,101,566	Jun-07	\$2,101,566
TOTALS	\$66,365,263	\$16,591,319	\$44,243,510	\$11,060,878	\$7,256,837	\$1,814,234	\$117,865,710	\$29,466,431	\$147,332,141	\$147,332,141	TOTALS	\$147,332,141

Reduction in awarded Contract Value from \$169,736,671 to \$147,332,141 results from a Sales Tax exemption on rail cars granted by the CA State Board of Equalization. Contract Modification No. 2 dated December 21, 2003.
* Revised to show Corrected Actual FY04 Payments. "A" and corrected footnotes above. Fiscal 2004 payment totals do not change from original forecast but are 54% lower than shown on previous revision.

CHANGE CONTROL STATUS

Description	A	B		C		D=A+B+C	E		F=D+E
	Award Amount	Approved		Obligated		Total Approved Amount	Potential		Total Potential Value
		Executed Changes		LNTPs (NTE)			Pending		
		#	\$	#	\$		#	\$	
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0

There are no Changes this reporting period.

FINANCIAL/GRANT STATUS

JUNE 2004		STATUS OF FUNDS BY SOURCE									
SOURCE	(A) ORIGINAL BUDGET	(B) TOTAL FUNDS ANTICIPATED	(C) TOTAL FUNDS AVAILABLE	(D) COMMITMENTS	(D/B)	(E) EXPENDITURES		(E/B)		(F) BILLED to FUNDING SOURCE	
				\$	%	\$	%	\$	%	\$	%
FEDERAL - STIP	71.1	71.1	15.4	52.8	74%	15.4	22%	15.4	29%		
FED-SEC 5309 FIXED GUIDEWAY	38.3	38.3	11.8	38.3	100%	5.4	14%	5.4	14%		
FEDERAL - RSTP	7.7	7.7	0.0	7.7	100%	0.0	0%	0.0	0%		
FEDERAL - CMAQ	14.2	14.2	0.0	14.2	100%	0.0	0%	0.0	0%		
STATE STIP	6.0	6.0	0.0	6.0	100%	0.0	0%	0.0	0%		
STATE STA	15.6	15.6	7.6	15.6	100%	5.2	33%	5.2	33%		
UNBILLED ACRUALS			3.0			3.0					
TOTAL	152.9	152.9	37.7	134.6	88%	29.0	19%	26.0	17%		

(1) Based on June 2003 Regional Programming Funding Plan.
Note: Expenditures are cumulative through May 2004.
The 2550 Rail Vehicle Program consists of 40 light rail vehicles and associated costs.

STATUS OF FUNDS ANTICIPATED

STATE STIP: On December 12, 2002, the CTC approved an allocation request of \$15,395,000 for Federal STIP funds. FTA obligated the funds on April 18, 2004. Funds are available for drawdown. At the August 2003 California Transportation Commission (CTC) Meeting, the CTC did not act on the \$17.5 million funding allocation requested by MTA. In February 2004, the MTA Board adopted a revised TIP, which earmarks those funds in FY06 in addition to other State and Federal funds.

FEDERAL SECTION 5309: In November 2003, MTA submitted a grant application to the FTA for review for \$11,750,000. FTA approved the grant in January 2004. The funds are available for drawdown.

APPENDIX COST AND BUDGET TERMINOLOGY

COMMITMENTS: The total of actual contract awards, executed change orders or amendments, approved work orders of Master Cooperative Agreements, offers accepted for purchase of real estate, and other LACMTA actions that will result in specific expenditures at a future time.

INCURRED COST: The total value of work performed to date of services received, and acquired materials or properties.

EXPENDITURES: The total dollar amount of checks written by LACMTA's Accounting department for contractor or consultant invoices, third party invoices, staff salaries, and closing payments for escrow accounts that is reported in LACMTA's Financial Information System (FIS).

CONSTRUCTION: Includes guideways, yards and shops, systems equipment, stations, and vehicles.

PROFESSIONAL SERVICES: Includes general engineering, construction management services, consultant design support services during construction, legal counsel, and agency (MTA staff) costs.

CONTINGENCY: A fund established at the beginning of a project to provide for anticipated but unknown additional costs that may arise during the course of the project.

SPECIAL CONDITIONS: Includes utilities relocation, environmental compliance and mitigation, master cooperative agreements, insurance program, artwork, systems integration testing and pre-revenue operations.

**APPENDIX
LIST OF ACRONYMS**

CMAC	Congestion Mitigation Air Quality
CN	Change Notice
CO	Change Order
CTC	California Transportation Commission
ESGL	Eastside Gold Line
FTA	Federal Transit Administration
FY	Fiscal Year
LNTP	Limited Notice To Proceed
LRV	Light Rail Vehicle
MTA	Metropolitan Transportation Authority
N/A	Not Applicable
NTE	Not to Exceed
NTP	Notice To Proceed
PGL	Pasadena Gold Line
QPSR	Quarterly Project Status Report
SSPP	System Safety Program Plan
STIP	State Transportation Improvement Program
TBD	To Be Determined