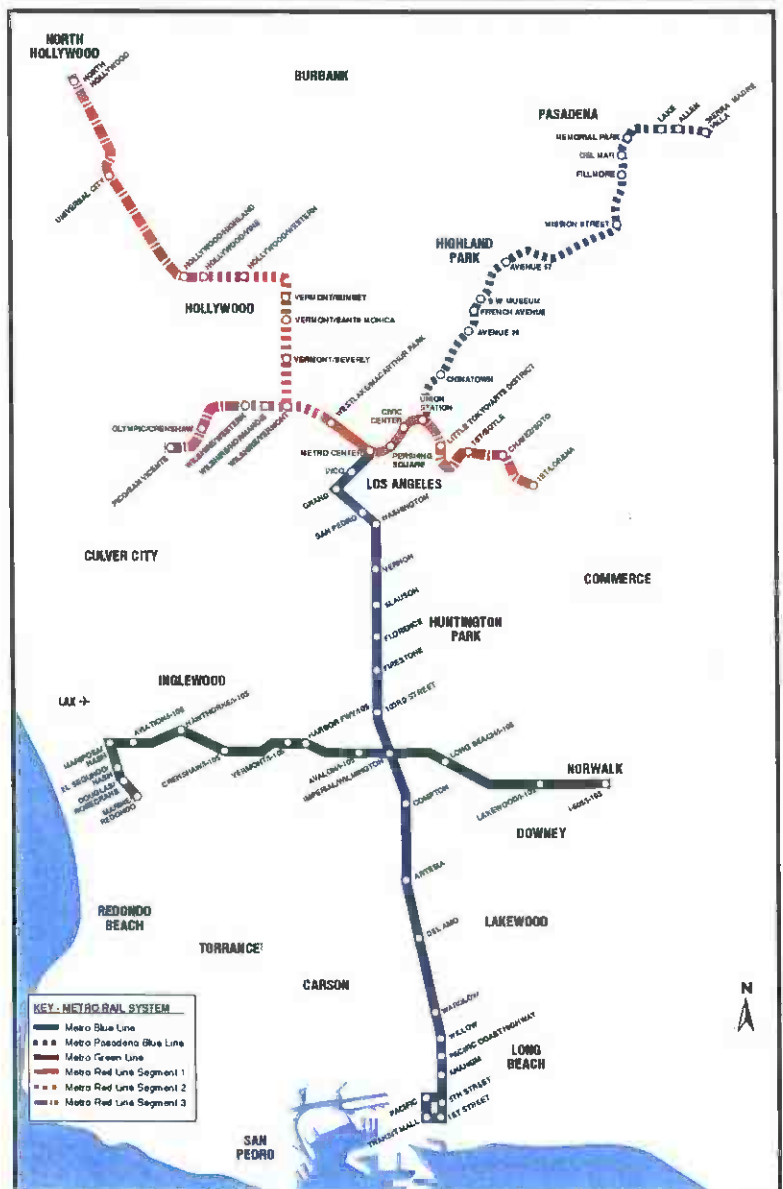


MTA METRO CONSTRUCTION



Executive Report Rail Program Status



APRIL 1998

RAIL PROGRAM STATUS SUMMARY

**THE LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION AUTHORITY
METRO CONSTRUCTION DIVISION**

APRIL 1998

RAIL PROGRAM SUMMARY



EXECUTIVE SUMMARY RAIL PROGRAM STATUS as of April 1998

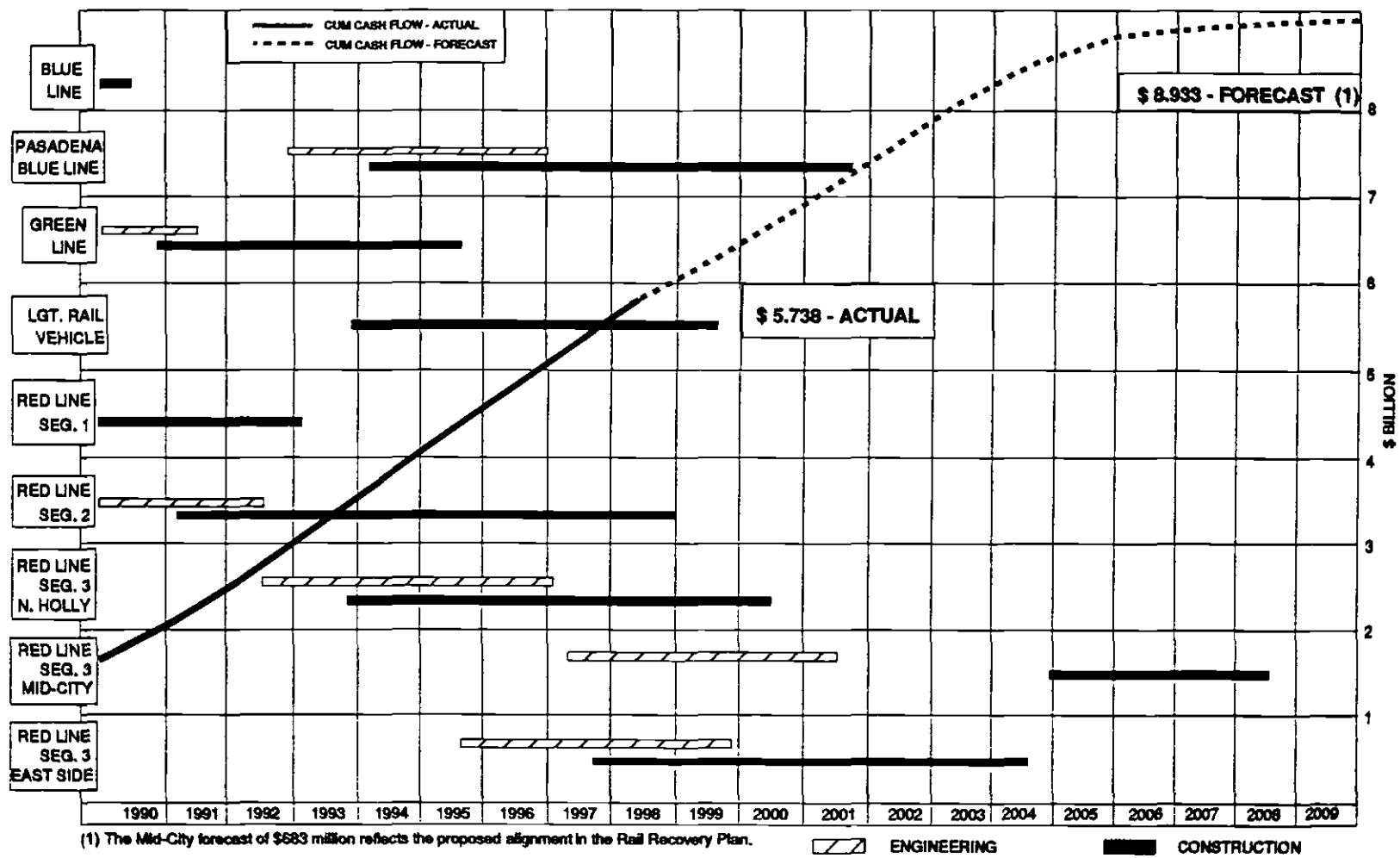
| | RED Segment 1 | RED Segment 2 | RED Seg 3 N. Hollywd. | RED Seg 3 Mid-City | RED Seg 3 East Side | BLUE Long Beach/LA | BLUE Pasadena | GREEN | Light Rail Vehicle | Summary |
|-----------------------------------|------------------|---|-----------------------------|--------------------------|---------------------------|--------------------------|------------------|----------------|-----------------------------------|---------------------------------|
| Length | 4.4 MI. | 6.7 MI. | 6.3 MI. | 2.3 MI. | 3.7 MI. | 22 MI. | 13.6 MI. | 20 MI. | — | 79 MI. |
| Number of Stations | 5 | 8 | 3 | 2 | 4 | 22 | 13 | 14 | 52 cars | 71 stas. |
| Technology | Heavy Rail | Heavy Rail | Heavy Rail | Heavy Rail | Heavy Rail | Light Rail | Light Rail | Light Rail | Light Rail | — |
| MTA Approved Opening Date | Jan 1993 | Wilshire Jul 1996 Vermont Dec 1998 | May 2000 | July 2008 | May 2004 | July 1990 | Aug 2001 | August 1995 | Final Car Delivery Aug 1999 | Final Completion Jul 2008 |
| Design Status | Completed | 99.2% | 94.1% | Final Not Started | 86.8% | Completed | 80.3% | Completed | Based on Milestones 98% | 3 of 9 complt. |
| Construction Status | Completed | 95.3% | 66.1% | Not Started | Not Started | Completed | 11.7% | 99% | Based on Milestones 60% | 3 of 9 complt. |
| Expenditures to Date (in mil.) | \$1438 | \$1523 | \$785 | \$13 | \$121 | \$860 | \$221 | \$671 | \$106 | \$5738 |
| MTA Approved Budget (in mil.) | \$1450 | \$1647 | \$1314 | \$491 | \$1049 | \$877 | \$804 | \$712 | \$258 | \$8602 |
| Federal Funding | 48% | 44% | 62% | 39% | 54% | 0% | 0% | 0% | 33% | 31% |
| State/Local Funding | 52% | 56% | 38% | 61% | 46% | 100% | 100% | 100% | 67% | 69% |

**METROPOLITAN TRANSPORTATION AUTHORITY
FUNDING SOURCES (IN MILLIONS)**

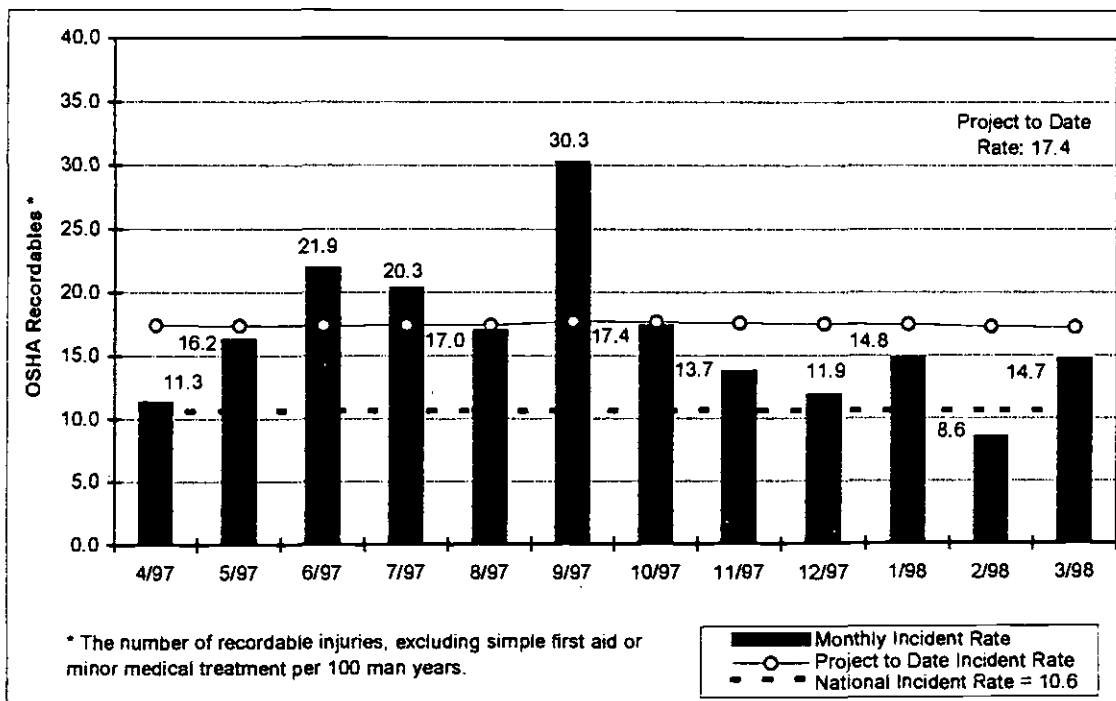
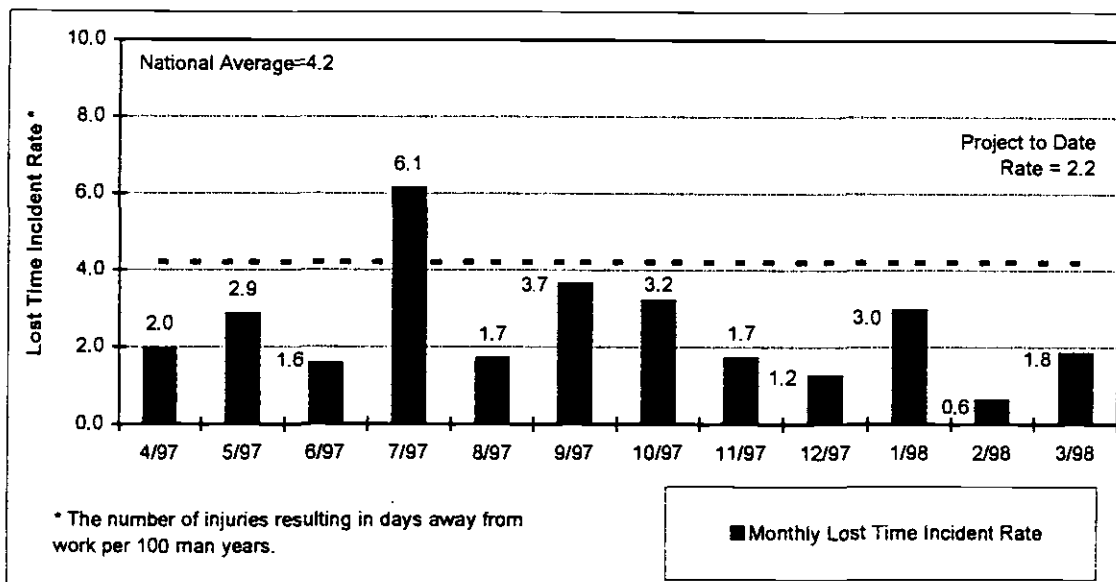
APRIL 1998

| | METRO BLUE LINE | METRO GREEN LINE | METRO RED SEGMENT 1 | METRO RED SEGMENT 2 | METRO RED SEGMENT 3 - NH | METRO RED SEGMENT 3 - MC | METRO RED SEGMENT 3 - ES | PASADENA BLUE LINE | LIGHT RAIL VEHICLE | TOTAL PROGRAM | |
|--|--------------------|---------------------|------------------------|------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------|-----------------------|------------------|-----------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | % |
| ORIGINAL SCOPE: | | | | | | | | | | | |
| FTA-SECTION 3 | | | 605.3 | 567.0 | 681.0 | 242.6 | 492.9 | | | 2888.8 | 31 |
| FTA - OTHER | | | | | | | | | | | |
| ISTEA - FED SURFACE TRANSIT PROG | | | | 52.1 | 57.8 | | 25.0 | | 76.2 | 211.1 | 3 |
| FED ISTEA RSTP/CMAQ | | | | | 79.7 | 20.4 | 51.2 | | 6.1 | 157.4 | 2 |
| FTA-SECTION 9 | | | 90.6 | | | | | | | 90.6 | 1 |
| STATE | | 105.9 | 210.3 | 133.0 | 270.1 | 90.0 | 0.0 | 387.8 | 16.4 | 1213.5 | 14 |
| STATE TSM MATCH | | | | | 11.4 | 2.7 | 0.7 | | | 14.8 | 0 |
| SB 1986 TRUST FUND | | | | | 66.7 | | | | | 66.7 | 0 |
| PROPOSITION A | 877.2 | 205.1 | 179.5 | 504.3 | | | | | | 1766.1 | 20 |
| PROPOSITION C | | 395.3 | | | 54.1 | 327.3 | 405.9 | 416.1 | 158.9 | 1757.6 | 20 |
| PROP C (AMERICAN DISABILITY ACT) | | 6.0 | | | | | | | | 6.0 | 0 |
| CITY OF LOS ANGELES | | | 34.0 | 96.0 | 90.0 | | 73.5 | | | 293.5 | 3 |
| BENEFIT ASSESSMENT | | | 130.3 | 0.0 | 0.0 | | | | | 130.3 | 1 |
| COST OVERRUN ACCOUNT | | | 200.1 | 123.1 | | | | | | 323.2 | 4 |
| APPROVED BUDGET | 877.2 | 712.3 | 1450.1 | 1675.5 | 1310.8 | 683.0 | 1049.2 | 603.9 | 267.6 | 8719.6 | 99 |
| CURRENT FORECAST | 877.2 | 727.4 | 1439.0 | 1671.4 | 1310.8 | 683.0 | 1049.2 | 622.4 | 201.4 | 8781.8 | |
| ADDITIONAL LOCALLY FUNDED ACTIVITIES: | | | | | | | | | | | |
| PROP C (TRANSIT ENHANCEMENTS) | | | | 62.7 | 2.7 | | | | | 65.4 | 1 |
| FED ISTEA RSTP/CMAQ | | | | 2.5 | | | | | | 2.5 | 0 |
| APPROVED BUDGET | 0.0 | 0.0 | 0.0 | 65.2 | 2.7 | 0.0 | 0.0 | 0.0 | 0.0 | 67.9 | 1 |
| CURRENT FORECAST | 0.0 | 0.0 | 0.0 | 65.1 | 29.7 | 0.0 | 56.6 | 0.0 | 0.0 | 151.4 | |

(1) The Mid-City budget of \$683 million reflects Total Funds Anticipated pending the selection of a preferred alternative, the Approved Budget is \$491 million.



Safety Summary Status



METRO RED LINE SEGMENT 2 Rail Program Status Summary Period Ending - May 1, 1998



PROJECT DESCRIPTION

Metro Red Line Segment 2 is a continuation of the Segment 1 system and consists of the design, construction, testing and startup operations for 6.63 miles of a two-track rapid transit line, all in subway, with eight stations, three double crossovers and one pocket track.

SCHEDULE PROGRESS

| | Expended (in \$ Mil.) | Percent Complete |
|----------------------------|--------------------------|---------------------|
| DESIGN | | |
| Monthly Progress | \$ 1.7 | 0.1 % |
| Prior Cumulative Prog. | 165.5 | 99.1 |
| Cumulative Progress | 167.2 | 99.2 |
| CONSTRUCTION | | |
| Monthly Progress | \$28.4 | 1.4 % |
| Prior Cumulative Prog. | 967.0 | 93.9 |
| Cumulative Progress | 995.4 | 95.3 |
| OTHER Cost Elements | \$360.7 | |
| TOTAL | \$ 1523.3 | |

STATUS OF FUNDS BY SOURCE (in \$ mil.)

| Source | Total Funds Anticipated (in \$ mil.) | Total Funds Available (in \$ mil.) | Expend. |
|---------------------------|--|--|-----------------|
| FTA - Section 3 | \$522.4 | \$522.4 | \$522.4 |
| FTA - Sect 3 Defer. Local | 144.6 | 144.6 | 144.6 |
| FED ISTEA STP (State) | 52.1 | 52.1 | 52.1 |
| State of California | 133.0 | 133.0 | 133.0 |
| Proposition A | 504.3 | 477.6 | 453.1 |
| City of Los Angeles | 96.0 | 94.0 | 93.1 |
| Benefit Assessment Dist | 0.0 | 0.0 | 0.0 |
| Benefit Assess. Shortfall | 0.0 | 25.4 | 25.4 |
| Cost Overrun Account | 123.1 | 53.5 | 53.5 |
| Prop C Transit Enhance | 62.7 | 47.9 | 46.1 |
| ISTEA CMAQ/RSTP | 2.6 | 0.0 | 0.0 |
| TOTAL | \$1640.8 | \$1550.5 | \$1523.3 |

BUDGET/FORECAST STATUS (in \$ mil.)

| Cost Element | Current Budget | Current Forecast |
|-----------------------|-------------------|---------------------|
| Construction | \$1101.1 | \$1101.3 |
| Professional Services | 417.9 | 475.3 |
| Real Estate | 88.1 | 89.0 |
| Utility Force Account | 32.4 | 32.6 |
| Special Programs | 2.5 | 2.5 |
| Contingency | 4.8 | 37.1 |
| Project Revenue | 0.0 | (1.3) |
| TOTAL PROJECT | \$1646.8 | \$1736.5 |

SCHEDULE STATUS

REVENUE OPERATIONS DATE: December 1998

The project critical path remained the same this period. The critical path is controlled by delays to the B646 Fire and Emergency Management change process. The impact of this event has delayed critical tests at the Vermont/Santa Monica Station. The 193 calendar days of negative float forecast this period represents a 28 calendar day delay since last period. The current forecast for revenue operations is June 1999.

CURRENT ACTIVITIES / ISSUES

The increase in time and effort to process required changes to construction contracts, including, LNTF's, due to the centralization of approval authority remains an issue. In May 1998, the Project Office will recommend to the MTA Board that the project budget be increased and the current Full Funding Grant Agreement ROD of December 31, 1998 be revised to May 29, 1999. After approval, the MTA will submit to the Federal Transit Administration its request for renegotiation of the completion date.

METRO RED LINE SEGMENT 3 NO. HOLLYWOOD

Rail Program Status Summary

Period Ending - May 1, 1998



PROJECT DESCRIPTION

The North Hollywood Extension includes three stations and extends 6.7 miles northwest from the terminus of Segment 2 at Hollywood/Vine to a new terminus at North Hollywood station. Two intermediate stations, one at Hollywood/Highland and another at Universal City, complete this extension.

SCHEDULE PROGRESS

| | Expended (in \$ Mil.) | Percent Complete |
|----------------------------|--------------------------|---------------------|
| DESIGN | | |
| Monthly Progress | \$ 1.2 | 0.4 % |
| Prior Cumulative Prog. | 69.9 | 93.7 |
| Cumulative Progress | 71.1 | 94.1 |
| CONSTRUCTION | | |
| Monthly Progress | \$20.0 | 2.3 % |
| Prior Cumulative Prog. | 487.0 | 63.8 |
| Cumulative Progress | 507.0 | 66.1 |
| OTHER Cost Elements | \$207.2 | |
| TOTAL | \$ 785.3 | |

STATUS OF FUNDS BY SOURCE (in \$ mil.)

| Source | Total Funds Anticipated (in \$ mil.) | Total Funds Available (in \$ mil.) | Expend. |
|---------------------------|--|--|----------------|
| FTA - Section 3 | \$544.9 | \$347.0 | \$360.9 |
| FTA - Sect 3 Defer. Local | 136.2 | 86.7 | 90.2 |
| FED ISTEA STP (State) | 57.8 | 57.8 | 50.0 |
| FED ISTEA STP/CMAQ | 70.5 | 53.0 | 53.0 |
| FED ISTEA RSTP Defer | 9.1 | 6.9 | 6.9 |
| SB 1995 Trust Fund | 66.7 | 66.7 | 66.7 |
| State SHA/Article XIX | 45.9 | 21.0 | 21.0 |
| State Proposition 116 | 57.1 | 57.1 | 25.0 |
| State TSM Match | 11.4 | 10.5 | 10.5 |
| State CTIP | 167.2 | 0.0 | 0.0 |
| City of Los Angeles | 90.1 | 55.5 | 55.5 |
| Proposition C | 54.1 | 45.4 | 45.4 |
| Benefit Assessment Dist | 0.0 | 0.0 | 0.0 |
| Prop C (Artwork) | 2.5 | 0.6 | 0.2 |
| Prop C (Non-Rev Connect) | 0.3 | 0.0 | 0.0 |
| TOTAL | \$1313.8 | \$808.2 | \$785.3 |

BUDGET/FORECAST STATUS (in \$ mil.)

| Cost Element | Current Budget | Current Forecast |
|-----------------------|-------------------|---------------------|
| Construction | \$826.6 | \$860.8 |
| Professional Services | 301.5 | 335.5 |
| Real Estate | 89.0 | 87.2 |
| Utility Force Account | 26.3 | 26.6 |
| Special Programs | 0.0 | 0.9 |
| Contingency | 70.0 | 29.4 |
| Project Reserve | 0.4 | 0.1 |
| Project Revenue | 0.0 | 0.0 |
| TOTAL PROJECT | \$1313.8 | \$1340.5 |

SCHEDULE STATUS

REVENUE OPERATIONS DATE: May 2000

Although the FTA FFCA stipulates project completion on December 12, 2000, the project team is targeting May 17, 2000 for Revenue Operations which is 7 months ahead of the FTA schedule.

CURRENT ACTIVITIES / ISSUES

The project is currently maintaining its budget. The April 1998 Master Schedule shows the project is currently on schedule. The forecast completion date is June 8, 2000.

Due to the Demobilization Plan approved by the MTA Board in January 1998, Metro Pasadena Blue Line, Metro Red Line Segment 3 Mid-City Extension, and Metro Red Line Segment 3 East Side Extension reports will no longer be produced on a monthly basis. These reports will be produced quarterly in accordance with MTA's Federal and State reporting requirements. If you require any information on these projects, please contact the Project Manager as noted:

| | | |
|---|---------------|----------|
| Metro Pasadena Blue Line | Joel Sandberg | 922-7223 |
| Metro Red Line Segment 3 Mid-City Extension | Kevin Michel | 922-2854 |
| Metro Red Line Segment 3 East Side Extension | Charles Stark | 922-7220 |

METRO RED LINE SEGMENT 2

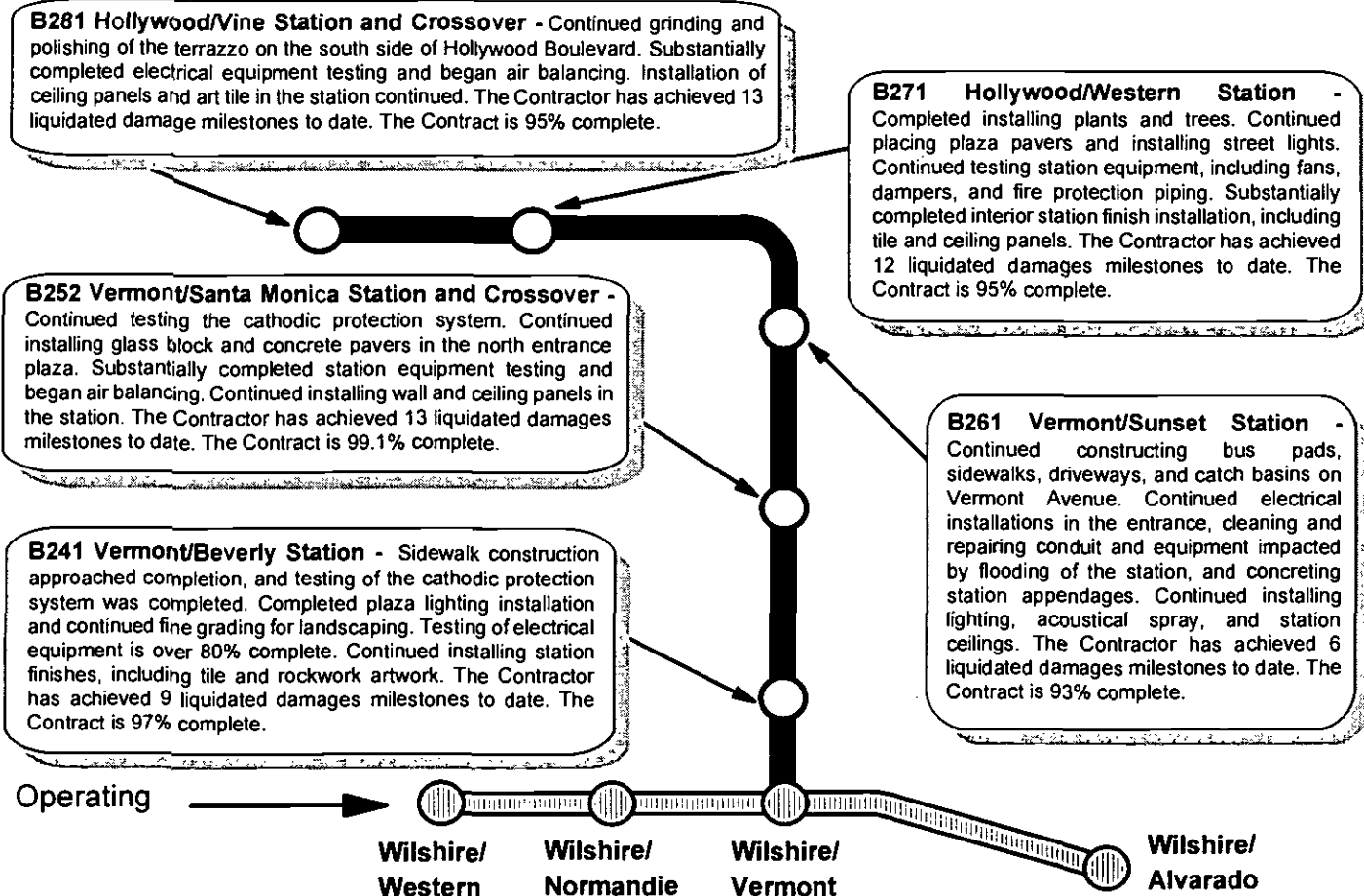
EXECUTIVE SUMMARY

METRO RED LINE Segment 2

Monthly Project Status Report

Period ending—May 1, 1998

Major Activities - This Period



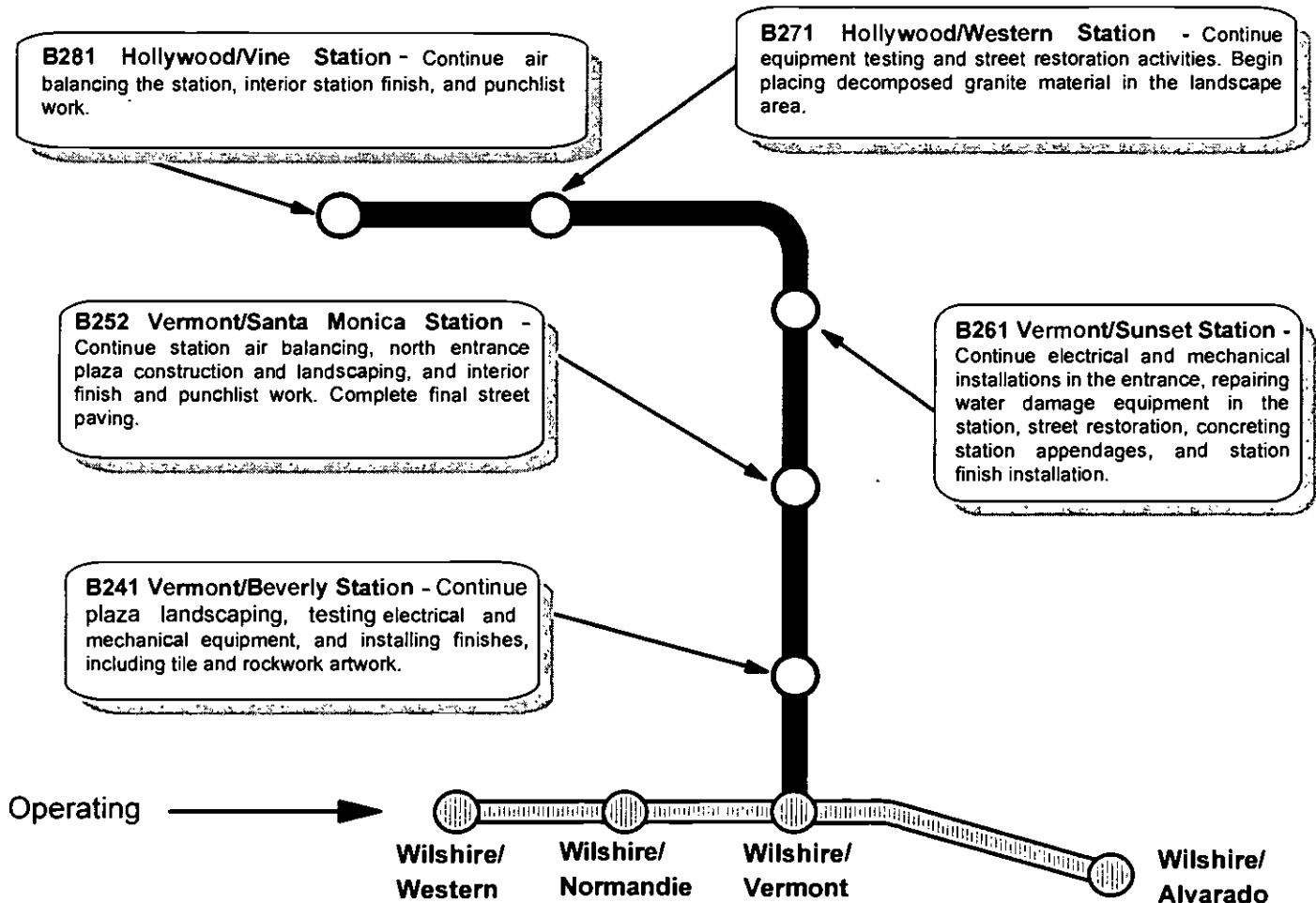
SYSTEMWIDE ACTIVITIES

- B610, Trackwork Installation, continuing earth resistance test.
- B620, Automatic Train Control (ATC) Installation, continued installing ATC wayside equipment and cables; started testing ATC cables.
- B630, Traction Power Equipment, water damage repair work continued.
- B631, Traction Power, the water damage change at B261 station is being finalized; started repairing damaged switchgear.
- B641, Radio, substantially completed installing cable at the Vermont/Santa Monica Station and continued installation at the Vermont/Beverly and Hollywood/Western stations. Completed base station pretest.
- B645, TRACS, continued remote terminal unit wiring at the Vermont/Beverly, Vermont/Santa Monica, Hollywood/Western, and Hollywood/Vine stations.
- B646, Fire and Emergency Management, delivered the Programmable Logic Controller and Intrusion Detection System for the Vermont/Sunset Station. Started fire and emergency management Local Field Acceptance Test at Vermont/Santa Monica Station on April 27, 1998.
- B648B, Communication Installation, substantially completed installation at Vermont/Santa Monica and Hollywood/Vine stations; approached completion at the Hollywood/Western Station. Work continues at the Vermont/Beverly Station. Communication installation work has not started at the Vermont/Sunset Station.
- B710, Elevator/Escalator, continued installation work at all stations, except Vermont/Sunset Station, which is planned to start next month.
- B740/B745, Air Handling/Ventilation, continued testing at the Vermont/Beverly and Hollywood/Vine stations; started testing at Hollywood/Western Station. Continued installing equipment at the Vermont/Sunset Station.

METRO RED LINE Segment 2
Monthly Project Status Report
Period ending—May 1, 1998



Major Activities - Next Period



SYSTEMWIDE ACTIVITIES

- B620, Automatic Train Control Installation, continue wayside and station train control room equipment installation and testing.
- B630/B631, Traction Power, continue installing contact rail connections and repair the water damaged equipment at the Vermont/Sunset Station.
- B641, Radio, continue installing cable at the Vermont/Beverly Station. Install outside antenna for B271 base station.
- B645, TRACS, continue remote terminal wiring at the stations. Start Change Notice work to incorporate design changes.
- B646, Fire and Emergency Management, continue local field acceptance testing at the Vermont/Santa Monica Station; incorporate Change Notice work.
- B648B, Communication Installation, continue installation at the Hollywood/Western and Vermont/Beverly stations.
- B710, Elevator/Escalator, continue installation at all stations, except Vermont/Sunset.
- B740/B745, Air Handling/Ventilation, substantially complete testing at the Hollywood/Vine and Vermont/Beverly stations; begin testing at the Hollywood/Western Station. Continue installing equipment at the Vermont/Sunset Station.

METRO RED LINE Segment 2
Monthly Project Status Report
Period ending—May 1, 1998



FINANCIAL STATUS

Budget/Forecast Variance (in millions)
Original Scope

| COST ELEMENT | CURRENT BUDGET | CURRENT FORECAST | BDGT/FCST VARIANCE | APRIL CHANGE IN FORECAST |
|-----------------------|----------------|------------------|--------------------|--------------------------|
| Construction | \$1,053.8 | \$1,053.3 | (0.5) | (11.2) |
| Professional Services | 401.0 | 458.2 | 57.2 | 16.3 |
| Real Estate | 88.1 | 89.0 | 0.9 | 0.0 |
| Utility/Force Account | 32.4 | 32.6 | 0.2 | 0.0 |
| Special Programs | 2.5 | 2.5 | 0.0 | 0.0 |
| Contingency | 4.8 | 37.1 | 32.3 | (4.9) |
| Project Revenue | 0.0 | (1.3) | (1.3) | 0.0 |
| Total Project | \$1,582.6 | \$1,671.4 | \$88.8 | \$0.2 |

Additional Locally Funded Activities

| COST ELEMENT | CURRENT BUDGET | CURRENT FORECAST | BDGT/FCST VARIANCE | APRIL CHANGE IN FORECAST |
|--|----------------|------------------|--------------------|--------------------------|
| Construction | \$47.4 | \$48.0 | 0.6 | 0.0 |
| Professional Services | 16.8 | 17.1 | 0.3 | 0.0 |
| Real Estate | 0.0 | 0.0 | 0.0 | 0.0 |
| Utility/Force Account | 0.0 | 0.0 | 0.0 | 0.0 |
| Special Programs | 0.0 | 0.0 | 0.0 | 0.0 |
| Contingency | 0.0 | 0.0 | 0.0 | (0.1) |
| Total Additional Locally Funded Activities | 64.2 | 65.1 | 0.9 | (0.1) |

Due to rounding, some values may differ from Cost Management System (CMS) values.

Budget/Forecast Variance Analysis
Original Scope

The \$88.8 million budget/forecast variance to date is due to two major areas: professional services and contingency. The professional services variance is attributable to the delay in ROD, better definition of consultant staffing through project completion, anticipated legal cost, and agency overhead. The contingency variance is due in large part to an allowance for claims and to an increase in contingency for professional services projected after ROD. Although costs cannot be accurately determined for claim settlement exposure, the contingency projection represents an assessment of current projection information and excludes the risk of a major adverse settlement relating to tunnel litigation.

Expenditures to date for Original Scope are \$1,477.2 million or 88.4% of current total forecast.

Commitments to date for Original Scope are \$1,526.1 million or 91.3% of current total forecast.

There was an increase to the Current Project Budget of \$6.0 million for CM Services.

There was an increase to the Current Project Forecast of \$0.2 million.

Continued on ES-4

METRO RED LINE Segment 2
Monthly Project Status Report
Period ending—May 1, 1998



FINANCIAL STATUS

Budget/Forecast Variance Analysis (Contd)
Original Scope

Construction decreased \$11.2 million primarily due to:

- INS01 decreased \$4.0 million for Insurance Claim—Hollywood Blvd. Sinkhole—based on forecast reevaluation of claims.
- INS02 decreased \$0.5 million for Insurance Claim—B261 Flood Damage—based on forecast reevaluation of anticipated repair costs.
- B740 increased \$0.2 million because of revised contract completion date, an increase to emergency fan screens, and miscellaneous field interface correction work.
- MR040 decreased \$6.6 million because of reestimate OCIP coverage.
- There are other changes due to contracts B216, B252, B281T, B780, and B648B.

Professional Services increased \$16.2 million due to:

- 03369 increased \$3.2 million for a forecast reevaluation, based on proposal for staffing plan to completion and March Board Report.
- PM002 increased \$11.0 million for a forecast reevaluation, based on MTA's proposed Fiscal Year 1999 budget, staffing plan to completion, and anticipated claims litigation support in future years.
- MY001 increased \$2.0 million for a forecast reevaluation, based on MTA's proposed Fiscal Year 1999 budget, staffing plan to completion, and anticipated claims litigation support in future years.

Contingency decreased \$5.0 million, reflecting the forecast changes above as well as

- CC999 Reserved Contingency—Construction decreased \$4.2 million.
- CS999 Professional Service contingency increased \$2.2 million.
- Z9999 Contingency decreased \$3.0 million.

Refer to the Management Issues section item regarding Project Revenue Operations Date (ROD) forecast.

Budget/Forecast Variance Analysis
Additionally Locally Funded Activities

Expenditures to date for Additionally Locally Funded Activities are \$46.1 million or 70.9% of current total forecast.

Commitments to date for Additionally Locally Funded Activities are \$54.3 million or 83.5% of current total forecast.

There was a decrease to the project forecast cost of \$0.1 million due to a reevaluation of contingency.

Note: The real estate acquired to support the Transit Enhancement covered under Additional Locally Funded Activities Budget and Forecast is \$38.1 million and is accounted for in another project.

METRO RED LINE Segment 2
Monthly Project Status Report
Period ending—May 1, 1998



CONTRACT/LINE ITEM VARIANCE

CONTRACT VARIANCE: (Current Forecast differs from Current Budget by 10% or more, and Current Budget is \$50 million or more.)

No items to report this period.

LINE ITEM VARIANCE: (Current Forecast differs from Current Budget by 10% or more for the Line Item Total.)

| | | |
|--|-------------------|---------------|
| LINE ITEM 19—PROJECT ADMINISTRATION | Current Budget: | \$ 55,012,000 |
| | Forecast: | 80,182,000 |
| | Variance: | 25,170,000 |
| | Percent Variance: | 45.8 |

The forecast increased this month by \$2 million to \$80,182,000, reflecting the actual cost to date, the Fiscal Year 1999 budget preliminary budget request, and the plan for staffing through the end of the job. The projected budget overrun is now \$25.17 million or 45.8% of the current budget. The original (Rail Construction Corporation) agency budget did not include overhead; this was being absorbed at the time by the Los Angeles County Transportation Commission. Now that the present system requires that the Construction Division absorb some portion of the Authority's overhead, the present budget is insufficient. The manpower, especially support staff, did increase with increased contractual, quality, internal audit, and safety, which also impacted the forecast. The allocation of the MTA overhead, which is presently 214% of direct labor, but which is anticipated to decrease to 199%, is the most significant reason for the increase.

Mitigation: Unless there is a significant shift in the method of allocating overhead by the Finance department, little can be done to mitigate the increase.

METRO RED LINE Segment 2
Monthly Project Status Report
Period ending—May 1, 1998

STATUS OF FUNDS BY SOURCE

METRO RAIL PROJECT SEGMENT 2
(IN MILLIONS OF DOLLARS)

STATUS OF FUNDS BY SOURCE

| SOURCE | (A) ORIGINAL BUDGET | (B) TOTAL FUNDS ANTICIPATED (5) | (C) TOTAL FUNDS AVAILABLE | (D) COMMITMENTS \$ | (D/B) % | (E) EXPENDITURES \$ (6) | (E/B) % | (F) BILLED TO FUNDING SOURCE \$ | (F/B) % |
|---|---------------------------|---|------------------------------------|--------------------------|------------|----------------------------------|------------|--|------------|
| | | | | | | | | | |
| ORIGINAL SCOPE: | | | | | | | | | |
| FTA-SECTION 3 | \$667.000 | \$522.396 | \$522.396 | \$522.396 | 100% | \$522.396 | 100% | \$522.396 | 100% |
| FTA-SECTION 3 DEFERRED LOCAL SHARE (1) | | \$144.604 | \$144.604 | \$144.604 | 100% | \$144.604 | 100% | \$144.604 | 100% |
| FED ISTEA STP (STATE) | \$0.000 | \$52.100 | \$52.100 | \$52.100 | 100% | \$52.100 | 100% | \$52.100 | 100% |
| STATE | \$185.985 | \$133.029 | \$133.029 | \$133.029 | 100% | \$133.029 | 100% | \$133.029 | 100% |
| PROPOSITION A | \$439.447 | \$504.299 | \$477.567 (7) | \$486.954 | 97% | \$453.072 | 90% | \$453.072 | 90% |
| CITY OF L.A. | \$96.000 | \$96.000 | \$94.000 (8) | \$96.000 | 100% | \$93.158 | 97% | \$93.158 | 97% |
| BENEFIT ASSESS. | \$58.000 | \$0.000 (9) | \$0.000 | \$0.000 | 0% | \$0.000 | 0% | \$0.000 | 0% |
| BENEFIT ASSESS. SHORTFALL (2) | \$0.000 | \$0.000 | \$25.400 | \$25.400 | 0% | \$25.400 | 0% | \$25.400 | 0% |
| COST OVERRUN ACCOUNT (3) | \$0.000 | \$123.123 | \$53.467 | \$65.618 | 53% | \$53.467 | 43% | \$53.467 | 43% |
| TOTAL | \$1,446.432 | \$1,575.551 | \$1,502.563 | \$1,526.101 | 97% | \$1,477.226 | 94% | \$1,477.226 | 94% |
| OTHER LOCALLY FUNDED ACTIVITIES (4): | | | | | | | | | |
| PROP C (TRANSIT ENHANCEMENTS) | \$0.000 | \$62.702 | \$47.993 | \$54.298 | 87% | \$46.121 | 74% | \$46.121 | 74% |
| ISTEA RSTP (TRANSIT ENH.) | \$0.000 | \$2.528 | \$0.000 | \$0.000 | 0% | \$0.000 | 0% | \$0.000 | 0% |
| TOTAL | \$0.000 | \$65.230 | \$47.993 | \$54.298 | 83% | \$46.121 | 71% | \$46.121 | 71% |

(1) FTA Section 3 Deferred Local Share. Commitments and expenditures are effective starting July 1st, 1992.

(2) The Benefit Assessment District revenue shortfall is being funded by Proposition A 35% Rail Capital.

(3) The Cost Overrun Account includes CAPRA funds as well as MTA Proposition A to cover cost overruns.

(4) This includes approximately \$5.5M for the Kaiser Portal scope.

(5) Based on Current Budget.

(6) Expenditures are cumulative through March 1998.

(7) Based on actuals through FY 97 plus FY 98 budget (\$153.6M). FY 98 Prop A 35% Rail Capital will also contribute to the funding of the Cost Overrun Account.

(8) Reflects City of LA funding contribution through FY 98 based on Funding Agreement between City of LA and MTA

(9) Benefit Assessment District funds are no longer anticipated due to passage of Proposition 208 (Right to vote on tax initiatives).



METRO RED LINE Segment 2
Monthly Project Status Report
Period ending—May 1, 1998



STATUS OF FUNDS BY SOURCE

Funds by Source Analysis

Status of Funds Anticipated

ISTEA CMAQ/RSTP: In December 1997 the MTA submitted a grant application for \$2.528M. Grant application is suspended until resolution of Kaiser Portal construction issue.

Benefit Assessment: No funds are expected to be available until Fiscal Year 2003.

Cost Overrun Account: The CAPRA account cash balance as of March 31, 1998 is \$24,620,626.

The revised budget growth is funded as follows:

| | |
|---------------|----------|
| CAPRA | \$21.6M |
| Proposition A | \$101.5M |

Fiscal Year 1998 Budget

The revised budget is \$160.2M with funding to be provided by the following sources:

| | |
|-----------------------------|-----------|
| City of Los Angeles | \$4.4M |
| RSTP Fund | \$2.5M |
| Proposition A 35% Rail Bond | \$153.6M* |

*Will also be used to fund part of the Cost Overrun Account

Future Funding Needs

Future funding needs have been incorporated into the MTA Long Range Transportation Plan, based on projected cash flow expenditures.

METRO RED LINE Segment 2 Monthly Project Status Report Period ending—May 1, 1998



SCHEDULE STATUS

Schedule

| | | Change from Last Month |
|-----------------|---------------|---------------------------|
| Current ROD | Dec. 19, 1998 | 0 |
| Design Progress | 99.2%* | .1 |
| Critical Path | -193 Days | 0 |
| Float | | |
| Const. Progress | 95.3% | 1.4 |

*Design progress percent complete is estimated.

Current Critical Path Analysis

Primary Critical Path [193 days]

The 193 calendar days of negative float forecast represent the same float and Revenue Operations Date (ROD) as last period. The B646 dispute over the labor and overhead rate has been successfully resolved. The WACN for Change Notice 61, the leading activity of the project critical path, will be issued. (The schedule would have been impacted by over 30 days since the LNTP changes were not accepted by contractors. The allowance of the WACN process for changes mitigated the above delay.) Following the B646 change notice process, the critical engineering of Fire and Emergency Management (F&EM) installation by B648B and Local Field Acceptance Test (LFAT) at the Vermont/Santa Monica Station by B646 is forecast to be completed June 25, 1998. The subsequent activities on this path are the System Integration Testing, Fire/Life/Safe demonstration, and pre-revenue operations. The current ROD forecast is June 30, 1999. (For more detail of the disputed issue and possible work around, see the Management Issues section.)

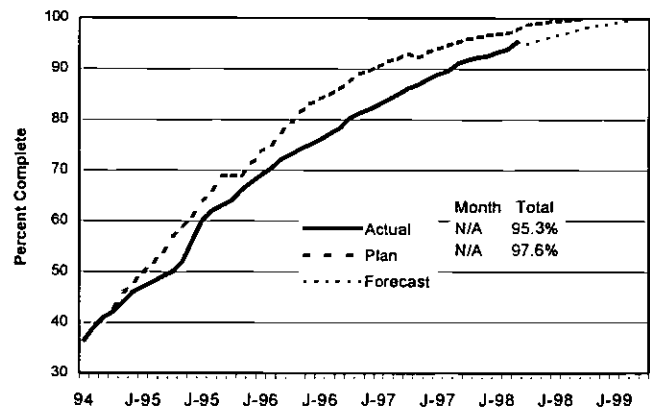
Secondary Critical Path (1) [192 days]

This path is the B645, TRACS, impacted by the same change process issues as B646. The phase two System Integration Testing will follow the completion of TRACS LFAT, cross connect by B648B, interface testing, and Systemwide Field Acceptance Test (SWFAT) by B645.

Secondary Critical Path (2) [192 days]

The other secondary critical path is the flood damage repair work at the Vermont/Sunset Station. The electrical equipment has been refurbished and is waiting for the station contractor to energize, followed by the station functional testing.

Construction Progress



Construction Progress Analysis

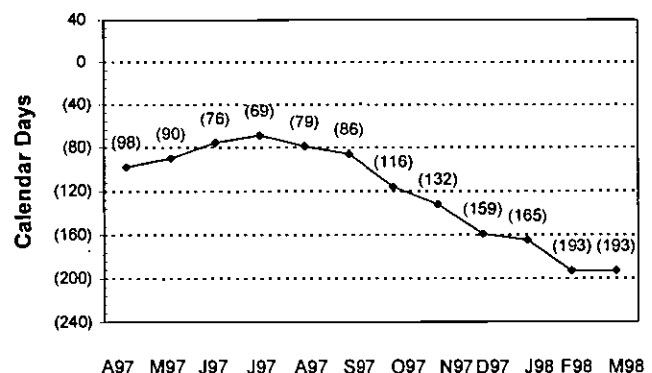
The project physical progress measurement (PPM) was modified to include the following:

- All executed change orders, Change Notices, and WACNs.
- System integration and operations support progress was added to the PPM.
- Contracts 4239, Emergency Telephone; A650, Passenger Vehicles; Hazardous Waste; and Fair Collection were added to the PPM.

As a result of the above modifications, the monthly incremental progress includes adjustments and, as such, is not reported for this period. The total progress reported is an accurate reflection of the progress status.

The overall project progress is 2.3% behind the planned progress. (This curve includes Wilshire and Vermont/Hollywood contracts.) The result from the change in progress measurement is also reflected on each contract's progress curve on this report's EPC pages.

Float Trend



METRO RED LINE Segment 2

Monthly Project Status Report

Period ending—May 1, 1998



SAFETY STATUS

Construction Safety Statistics

| Project-to-Date Rates | Change From Last Quarter | |
|---|-----------------------------|------|
| Recordable Injury Rate | | |
| The number of recorded injuries, excluding simple first aid or minor medical treatment, per 100 work years. | | |
| 1995 National Average | 10.6 | |
| Project Rate (To date/average) | 18.4 | -0.1 |
| Lost Time Rate (Frequency) | | |
| The number of injuries resulting in days away from work per 100 work years. | | |
| 1995 National Average | 4.2 | |
| Project Rate (To date/average) | 2.5 | -0.1 |
| (Based on March 1998 statistics) | | |

Construction Safety Summary

- The Project-to-Date Lost Time Injury Rate is 2.5. This rate is below the 1995 National Average of 4.2.
- The project is currently expending over 100,000 work hours each month and has produced over 12,600,000 work hours to date without a single fatal injury.

MANAGEMENT ISSUES

ONGOING

Item (Initiated February 1998)

B263, Vermont/Sunset Kaiser Entrance Award and Notice to Proceed (NTP)

Concern/Impact

The critical schedule issue is that a vent structure needs to be constructed at the Vermont/Sunset Station, prior to revenue operations, which will allow smoke exhaust and ancillary fans to be exhausted into a combined shaft to the surface. Upon completion of this vent structure, the airflow within the station can be tested, and project staff can then seek approval from the Fire/Life/Safety Committee for a beneficial occupancy permit, allowing the station to be used for revenue service. The plan is to have the vent structure built as part of the Kaiser entrance by the successful B263 Kaiser entrance contractor. The dates for the award and Notice-to-Proceed for this contract have been rescheduled from December 1997 to April 1998. This rescheduling has impacted the ability of project staff to have this vent structure completed in time for revenue operations.

Status/Action

The decision on Contract Award was discussed at the April MTA Board of Director's meeting. The CEO directed staff to continue discussions with Kaiser Hospital regarding funding issues. Completion of these discussions is scheduled for May 11, 1998, when one of two possible actions will be authorized:

1. Proceed with Kaiser Entrance as currently configured.
2. Proceed with alternative design for constructing only the vent structure and eliminate a separate entrance for Kaiser Hospital.

METRO RED LINE Segment 2
Monthly Project Status Report
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ONGOING

Item (Initiated February 1998)

Unauthorized Labor Charges Originating From Operations Division

Concern/Impact

During Fiscal Year 1996-1997, the Operations Division charged unauthorized labor to the Construction Division. The unauthorized Operations Labor Charges directed to Metro Red Line Segment 2 specifically have been found to total approximately 20,336 hours or approximately \$1M.

Status/Action

Attempts have been made to disallow these charges to Segment 2 through the appropriate channels. The first attempt was made by memo(s) requesting justification for hours charged, which evoked no response/action from the Operations staff. The second attempt was made using the Labor Information Management System (LIMS). Requests for correction of these charges were submitted in August 1997; to date, however, the Operations staff has refused to accept these disallowances.

The meeting with the Office of Management and Budget recommended that the DEO Project Manager for Segment 2 and the Rail Activation Manager resolve the issues through negotiations.

ONGOING

Item (Initiated January 1998)

Change Process

Concern/Impact

On January 22, 1998, the Segment 2 Construction Manager, Parsons-Dillingham (PD), was advised that MTA's Chief Executive Officer had moved all signature authority on construction projects from the MTA Construction Division to the Procurement Division. The impact of this major management change is to significantly centralize the delegated approval authority, creating a substantial work load for the Deputy Executive Officer (DEO), Procurement and the Segment 2 Manager of Contracts. Previously, the change approval authority was decentralized to PD's resident engineers, the MTA Construction Division, and the Project Manager. The Project Office is concerned that this newly centralized authority will over burden the DEO, Procurement and the Segment 2 Manager of Contracts, substantially increasing the time and effort required to process necessary changes to construction contracts, including time-critical Work Authorization Change Notices (WACNs). This, in turn, may jeopardize the MTA's ability to achieve revenue operations and may also increase the overall cost of the project as a result of extended overhead and construction delay claims.

Discounting those changes greater than \$200,000, which must go to the Board, changes between \$25,000 and \$200,000 must be reviewed and executed by executive management (who are outside the Construction unit and who have multiple responsibilities).

Status/Action

PD management has met with the MTA's Executive Officer, Procurement and Distribution and the Deputy Assistant Chief Executive Officer in an attempt to clarify the contract change process and to emphasize the need for MTA to adopt a high sense of urgency in processing changes within the Procurement Department to minimize adverse impact to project schedule and budget. The Office of Procurement approved delegation of signature authority of up to \$5,000 for the Construction Manager's resident engineers and up to \$25,000 for the MTA contract administrators. After a three-month period, the signature authorities will be reviewed and may be increased.

Increasing the contract administration manager's authority from \$25,000 to \$100,000 would mitigate the prolonged signature cycle for about 80% of the construction changes.

METRO RED LINE Segment 2
Monthly Project Status Report
Period ending—May 1, 1998



ONGOING

Item (Initiated January 1998)

Fire and Emergency Management System (B646) Contract Issues

Concern/Impact

Contract issues for this contract have reached an impasse. The critical project activities, local field acceptance test (LFAT), and change notice work by B646 at the Vermont/Santa Monica Station, have been delayed. This delay impacts the start of phase one system integration testing, which was scheduled to begin earlier this year, and the Segment 2 Revenue Operations Date (ROD).

Status/Action

The Construction Manager prepared an analysis and assessment of the schedule and cost impacts of this delay. MTA management has finalized a path forward. MTA Estimating is preparing an estimate of the value of the B646 and associated B645 Transit Automatic Controls and SCADA Change Notices, which are the issues of contention. The estimate will be based on commercially acceptable standards and practices. The MTA Office of Procurement will then offer this MTA estimated value to the B646 contractor as a reasonable settlement.

As of the April end date, Contract B646 continues to be on the project critical path. The Contractor will not commence Change Notice works until the Work Authorization Change Notice (WACN) is issued. A negotiation meeting has been set up for May 14, 1998, to finalize Change Notice 61, which is the largest portion of the entire change process. The engineering design work will follow the WACN. The B648 contractor will perform the field work under B648B WACN 8.

METRO RED LINE Segment 2
Monthly Project Status Report
Period ending—May 1, 1998



ONGOING

Item (Initiated December 1997)

Vermont/Sunset Station (B261)—Station milestone delays, including the water damage to electrical equipment

Concern/Impact

The level of contractor cooperation in addressing settlement of issues over the past several months has been limited, and delays continue to interim and final completion milestones. The slow progress of entrance construction is of particular concern because it has delayed installation and testing of station equipment, which in turn delays integrated testing of the overall project. An issue of particular note is the issuance of a change to resolve equipment conflicts in the north auxiliary power electrical room, which is the focal point for equipment testing in the north half of the station.

The delays have been exacerbated by water damage in the station. On November 26, 1997, the B261 construction site was flooded from a heavy rainstorm. Water entered the station through incomplete station appendages and damaged a significant amount of both B630/B631 power equipment and B261 station electrical equipment. These events have delayed equipment installation and testing and have placed critical work on the primary and secondary critical paths.

Status/Action

The Project Office is coordinating with Risk Management and is treating the water damage event as an insurance claim. Attempts to resolve the damage costs directly with the insurance company became lengthy, and an interim change was issued to the B261 contractor to begin repair work. The Contractor was requested to provide sufficient manpower to complete the repair work to meet program requirements. It appears that the contractor is in the process of increasing manpower levels. Weekly field meetings are being held to monitor and manage the progress of the repair work.

The Contractor's progress in completing electrical/mechanical installations unaffected by the water damage is also being closely monitored. The Contractor reaching an appropriate staffing level continues to be a major concern.

The Project Office will continue to evaluate risks and associated management actions required to mitigate delays at this station. On April 6, 1998, the CM completed a Segment 2 Project Cost and Schedule Benefit Analysis, which addressed two potential items for mitigation at this station:

1. Accelerate the water damage repair work by requesting contractor to work additional shifts (swab conduits, wiring but not testing), and
2. Direct contractor to perform the critical station functional testing in a desired sequence to support systems integration testing earlier than currently scheduled.

On April 28, 1998, the Project Office directed the CM to begin the negotiation process with the Contractor to obtain a bilateral agreement for the proposed mitigation measures.

METRO RED LINE Segment 2

Monthly Project Status Report

Period ending—May 1, 1998



ONGOING

Item (Initiated November 1997)

Project Revenue Operations Date (ROD) Forecast

Concern/Impact

A continuing trend of construction and systems installation delays have resulted in a revised forecast ROD (June 30, 1999) well beyond the current ROD of December 19, 1998.

Status/Action

MTA executive management has directed that the least cost/acceptable risk ROD be established as the project goal. Accordingly, an evaluation of extended overhead versus selective acceleration was conducted in November 1997. The analysis resulted in a February 20, 1999 ROD target, which was initially presented to the MTA Board of Directors in January 1998. The MTA Board directed the MTA Construction Division staff to reevaluate the costs associated with this proposed target date and present a revised evaluation at a future MTA Board meeting.

The analysis in November 1997 did not consider four items that have since been identified as management issues. These are 1) water damage at Vermont/Sunset Station, 2) contract issues with the Fire and Emergency Management System (B646) contractor, 3) revised contract signature authority for construction projects, and 4) Kaiser Entrance Award and Notice to Proceed. These issues impact the ability of the MTA Construction Division to meet the proposed ROD.

On April 6, 1998, the CM completed a Segment 2 Project Cost and Schedule Benefit Analysis, which addressed three scenarios for mitigating the forecast ROD. The analysis identified the management issues impacting the forecast ROD and the actions required to mitigate ROD. On April 28, 1998, the Project Office directed the CM to proceed with Scenario No. 3, which includes mitigating the forecast ROD back to a proposed ROD of May 29, 1999. In May 1998, the Project Office will recommend to the MTA Board of Directors that the current Full Funding Grant Agreement ROD of December 31, 1998 be revised to May 29, 1999. After approval, the MTA will submit to the Federal Transit Administration its request (with appropriate documentation) for renegotiation of the completion date.

The Project Office is committed to exploring all schedule mitigation opportunities and has asked the CM to consider and recommend any additional mitigation opportunities that may be available to further improve the forecast ROD.

ONGOING

Item (Initiated June 1997)

Elevators and Escalators, Delivery and Installation (B710) contractor performance

Concern/Impact

Although the B710 contractor continues to improve at the Vermont/Hollywood Corridor stations, with the exception of Vermont/Sunset (B261), it has not recovered the total time that was previously lost, thus causing delay in the completion of the areas surrounding elevators/escalators at the stations.

Status/Action

Having increased its staff by ten, including a newly hired safety engineer, the Contractor continues to progress work at four of five stations. Installation access at Vermont/Sunset Station (B261) is forecasted for mid-May 1998.

The CM continues to focus on the remaining station finish work in areas surrounding the elevators/escalators, to mitigate delay, and to avoid station contractor extended overhead claims.

METRO RED LINE Segment 2
Monthly Project Status Report
Period ending—May 1, 1998



ONGOING

Item (Initiated March 1997)

Project Cost Overrun Forecast

Concern/Impact

The low level of remaining unallocated contingency raises concerns that the forecast will exceed the current project budget.

Status/Action

The forecast was adjusted in December 1997 and included a recognition for potential claims. Mitigation measures for project costs have been addressed, but an increase to contingency was deemed necessary.

A revised budget was initially presented to the MTA Board of Directors in January 1998. The MTA Board of Directors directed the MTA Construction Division staff to re-evaluate the costs associated with this proposed budget change and discuss it again at a future MTA Board of Director's meeting.

The Project Office is identifying potential risks incorporated in the current project cost forecast of \$1.736 billion and is preparing a cost benefit analysis to evaluate the recent cost and schedule impacts to the project. The Project Office will review with the Executive Officer of Construction the costs associated with each option and will provide recommendations with actions required.

In May 1998, the Project Office will recommend to the MTA Board of Directors that it revise the budget.

RESOLVED

Item (Initiated February 1998)

Legal and Owners Controlled Insurance Program Cost Forecast

Concern/Impact

The accuracy of the project cost forecast is being affected by the lack of current cost information from the Risk Management and County Counsel departments. Furthermore, the cost impact of future engineering, construction, and third party claims to the project budget cannot be accurately determined.

Status/Action

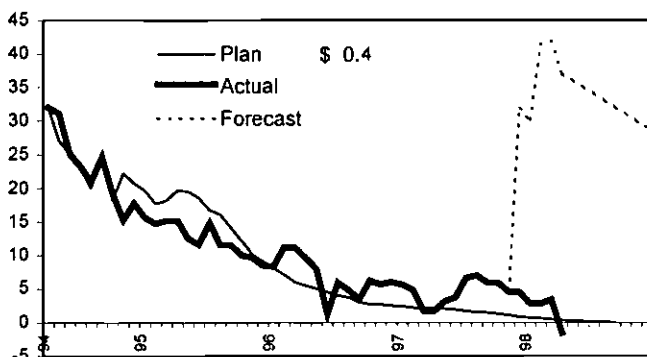
Program Control conducted cost forecasting training with Owner's Controlled Insurance Program (OCIP) and County Counsel staff on cost forecasting requirements. The OCIP group is preparing valid forecasts in a timely manner. County Counsel requested Program Control staff assistance with preparation of forecasts. Program Control and legal staff have commenced with the evaluation and preparation of more accurate forecasts.

METRO RED LINE Segment 2 Monthly Project Status Report Period ending—May 1, 1998



COST STATUS

Contingency Status Original and Locally Funded Activities Dollars (millions)

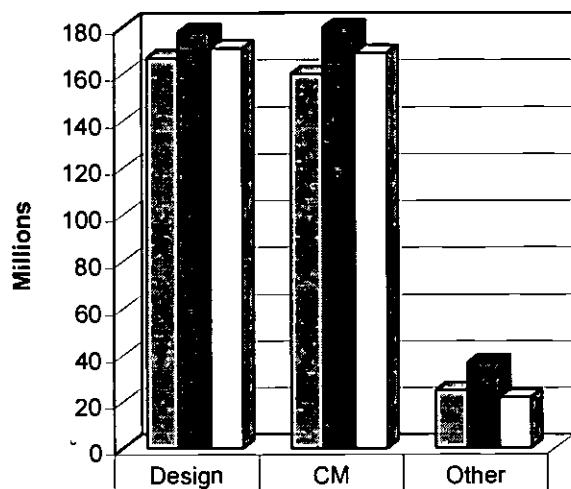


Contingency Status Analysis

The project unallocated forecast contingency decreased \$5.0 million in April to a revised projection of \$37.1 million. This decrease is part of the April forecast update for engineering services and professional services contingency.

For details refer to Budget/Forecast Variance Analysis (Page ES-3) and Management Issues (Page ES-15).

Consultant Cost Status



| | Design | CM | Other |
|-----------------|--------|-----|-------|
| ■ Authorization | 167 | 160 | 25 |
| ■ Forecast | 178 | 180 | 37 |
| □ Budget | 171 | 169 | 22 |

Professional Services Cost Analysis

The forecast value for Construction Management Services and Other Professional Services increased this month. The budget for Construction Management Services also increased. There was no change to the Design Services forecast.

Design Services

The forecast remains unchanged. The forecast was adjusted in February in anticipation of rescheduling of the target ROD.

Construction Management Services

The forecast was changed in April. The forecast was adjusted in the February report in anticipation of rescheduling the target ROD. CM services may change as a result of rebaselining of the staffing plan for project delays.

Other Professional Services

The forecast was changed by approximately \$11 million in April due to an increase in the legal forecast. At present, no further increase in the forecast is anticipated.

METRO RED LINE SEGMENT 3
NORTH HOLLYWOOD EXTENSION
EXECUTIVE SUMMARY

METRO RED LINE - Segment 3 North Hollywood

Monthly Project Status Report

Period Ending - May 1, 1998



MAJOR ACTIVITIES - THIS PERIOD



CONTRACT C0351 - KAJIMA/RAY WILSON North Hollywood Station

- Met Milestones 2 and 3 access date of April 24
- Met Milestone 8 access date of April 7
- Completed exterior walls in the entrance
- Completed shoring for the entrance roof
- Complete acoustical spray in the platform area
- Continued wire pulling to electrical equipment
- Completed CMU walls
- Continued backfill of tailtrack

NORTH HOLLYWOOD STATION

CONTRACT C0331 - OBAYASHI CORPORATION

- North Hollywood Tunnel
- Completed MVS track level reshoring
- Completed C1610 south walk through
- Provided AL/AR south access for C1610 trackwork contractor on April 24 per mitigation plan
- Continued AL/AR final cleanup work, punch list items and NCR repair work for Milestones 2A and 3 turnover
- Completed MVS fan level east and west exterior walls; MVS fan level exterior wall concrete placement is now 100% complete
- Completed MVS fan level east wall blackout concrete placement
- Completed MVS fan level west wall knockout panel concrete placement
- Suspended MVS fan level interior wall work for MVS side structure concrete work to mitigate overall MVS concrete shell delays
- Completed MVS side structure east air intake wall, arch and chimney
- Completed MVS side structure east air exhaust invert, arch and walls
- Completed MVS electrical level supported slab concrete placement
- Completed crosspassage electrical installation north of the MVS
- Commenced crosspassage electrical installation south of the MVS
- Completed Milestone 2A turnover to C1610 trackwork contractor

CONTRACT C0321 - TUTOR/SALIBA-PERINI Universal City Station

- Installed rebar, electrical/mechanical embeds, formwork, and placed concrete in roof slab lifts 12 and 13
- Completed the removal of the temporary decking system and vault/utility work for Bluffs Drive
- Placed concrete for the upper exterior walls lifts 14E, 14W, 15E, 15W, and south upper bulkhead
- Installed rebar, formwork and placed concrete for the upper interior walls of lifts 14-15, and entrance upper passageway
- Excavated the south entrance escalator slope #6 and installed tiebacks and timber lagging
- Placed structural concrete in the north Fresh Air Intake #1 shaft on top of roof slab lifts 1-2
- Installed the shoring system and bottom mat rebar for the entrance roof and station roof slab lifts 14-15
- Installed aluminum capital tubing in the high-bay and continued with porcelain panel supports
- Continued with HVAC ducting, CMU walls, and acoustic plaster operations in Phase 2
- Continued with electrical wire pulls, terminations, and testing in the north auxiliary power room

UNIVERSAL CITY STATION

CONTRACT C1610 - HERZOG CONTRACTING Trackwork Installation

- Received access 4 and 6 on April 24 for south C0331 tunnels
- Completed 45% production welding of rail
- Completed 50% of C0351 crossover
- Installed temporary track in AR C0331 tunnel to Station 969+00 (7,540 TF)
- Delivered volumetric mixer for concrete plinth pours
- Strung CWR in C0331 tunnels

CONTRACT C0311 - TRAYLOR BROS./FRONTIER-KEMPER Line Section from Universal City Station to Station 630+00

- Commenced AR running tunnel arch pour north of track level room
- Completed AL starter tunnel arch pour
- Poured invert for AL running tunnel; 4,570' this month
- Completed excavation of track level rooms
- Completed AR concrete arch pours between Hollywood/Highland Station and La Brea Shaft
- Commenced contact grouting between Hollywood/Highland Station and La Brea Shaft and 95% complete in AL tunnel
- Completed concrete work for Crosspassages 59 to 51
- Continue pouring of FHC and side walls at crosspassage north of track level rooms

LA BREA ACCESS SHAFTS

CONTRACT C0301 - TUTOR/SALIBA-PERINI Hollywood/Highland Station and Tunnels

- Delivered and placed B740 ventilation equipment to east end of station
- Continued installation of upper ancillary deck at the main entrance
- Completed construction of exterior walls on mezzanine deck at east end of station (Lifts 1-4)
- Completed construction of concrete interior walls on mezzanine deck at east end of station (Lifts 1-4)
- Continued installation of ductwork/diffuser/dampers at Lifts 9-12 track level
- Continued installation of metal ceiling system between Lifts 5 and 12
- Continued mechanical/electrical equipment installation at west end (Lifts 5-12)

HOLLYWOOD / HIGHLAND STATION

to HOLLYWOOD / VINE
STATION

SYSTEMWIDE ACTIVITIES

Quality Assurance/Total Quality Management (continued on page ES-14)

Audits and Surveillances

- C0331 6 Quality Action Requests open, 0 issued, 0 closed

B620 (Automatic Train Control) issued CN for multiple access dates for 34.5 KV installation.

B645 (Transit Automatic Controls and SCADA) negotiated labor and overhead rates; CN is in MTA audit.

B646 (Fire and Emergency Management) negotiated labor and overhead rates for DCN; CN is in MTA audit.

H0123 (Variable Message Signs) rebid.

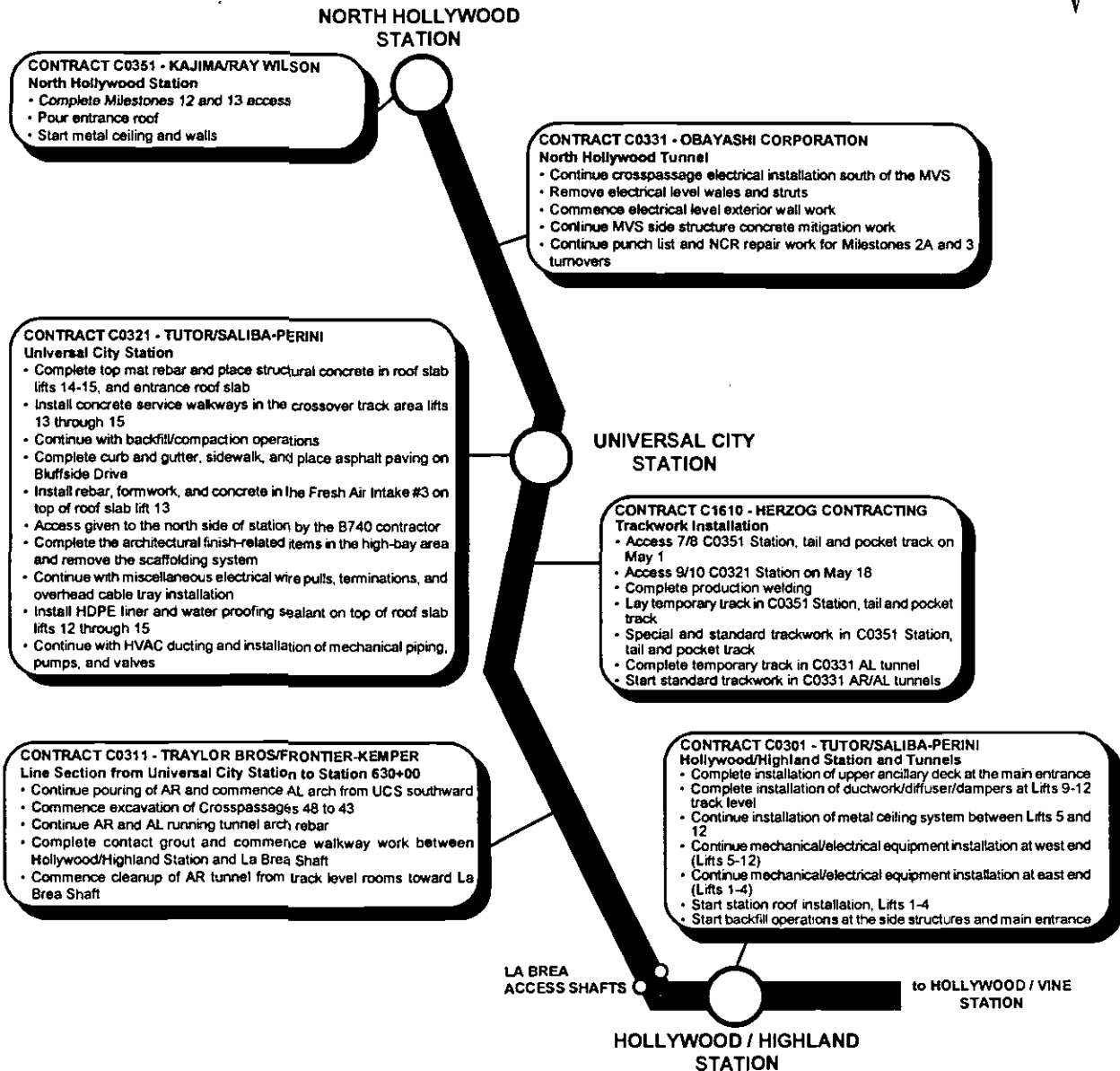
H0648 (Communications Installation) awarded contract on April 9.

MS201 (Hollywood Blvd. Restoration) awarded contract.

METRO RED LINE - Segment 3 North Hollywood
Monthly Project Status Report
Period Ending - May 1, 1998



MAJOR ACTIVITIES - NEXT PERIOD



SYSTEMWIDE ACTIVITIES

- B620 (Automatic Train Control) continue review of Design Review submittals.
- B630 (Traction Power Substation Equipment) continue review of submittals.
- B645 (Transit Automatic Controls and SCADA) approve and execute change order.
- B646 (Fire and Emergency Management) approve and execute change order.
- E0112 (Inca Engineering) issue NTP for design work for Contracts C3326 and C4326 on May 4.
- H0123 (Variable Message Signs) rebid.
- H0631 (Traction Power System Installation) continue review of the lift drawing and RFIs.
- H0648 (Communications Installation) Notice to Proceed is May 14.

METRO RED LINE - Segment 3 North Hollywood

Monthly Project Status Report

Period Ending - May 1, 1998



FINANCIAL STATUS

Budget / Forecast Variance (in millions) Original Scope Activities

| COST ELEMENT | CURRENT BUDGET | CURRENT FORECAST | BDGT/FCST VARIANCE | APRIL CHANGE IN FORECAST |
|-------------------------------|----------------|------------------|--------------------|--------------------------|
| CONSTRUCTION | \$824.7 | \$860.6 | \$35.9 | (\$0.4) |
| PROFESSIONAL SERVICES | 300.8 | 306.9 | 6.1 | 0.0 |
| REAL ESTATE | 89.0 | 87.2 | (1.8) | 0.0 |
| UTILITY/AGENCY FORCE ACCOUNTS | 26.3 | 26.6 | 0.3 | 0.6 |
| SPECIAL PROGRAMS | 0.0 | 0.0 | 0.0 | 0.0 |
| PROJECT CONTINGENCY | 69.6 | 29.4 | (40.2) | 0.4 |
| PROJECT RESERVE | 0.4 | 0.1 | (0.3) | 0.0 |
| PROJECT REVENUE | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL PROJECT | \$1310.8 | \$1310.8 | \$0.0 | \$0.0 |

Additional Locally Funded Activities

| | | | | |
|--|-------|--------|---------|-------|
| CONSTRUCTION | \$1.9 | \$0.2 | (\$1.7) | \$0.0 |
| PROFESSIONAL SERVICES | 0.7 | 28.6 | 27.9 | 0.0 |
| REAL ESTATE | 0.0 | 0.0 | 0.0 | 0.0 |
| UTILITY/AGENCY FORCE ACCOUNTS | 0.0 | 0.0 | 0.0 | 0.0 |
| SPECIAL PROGRAMS | 0.0 | 0.9 | 0.9 | 0.0 |
| PROJECT CONTINGENCY | 0.4 | 0.0 | (0.4) | 0.0 |
| PROJECT REVENUE | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL ADDITIONAL LOCALLY FUNDED ACTIVITIES | \$3.0 | \$29.7 | \$26.7 | \$0.0 |

Budget / Forecast Variance Analysis

Original Scope Activities

The Current Budget and Current Forecast totals remain unchanged at \$1,310.8 million.

However, there was a forecast change within the Construction Element which was offset by Project Contingency as follows:

- Contract C1610 (Trackwork Installation) - Forecast decreased \$0.4 million due to the deletion of the crossovers at the track level rooms.
- Project Contingency - Forecast increased \$0.4 million as a result of the above change.

Additional Locally Funded Activities (ALFA)

"Additionally Locally Funded Activities" (ALFA) are defined as work scope not originally covered under the FFGA such as Station Artwork, Hollywood Boulevard Settlement, Non Revenue Connector, etc. The Current Budget contains approximately \$3.0 million in ALFA categories under the Construction, Professional Services and Contingency elements.

The Current Forecast carries \$29.7 million in total for the ALFA work scope, largely due to increased Agency overhead and labor.

- Total Original Scope and ALFA Expenditures through March 1998: \$785.3 million.
- Total Original Scope and ALFA Commitments through April 1998: \$1,034.4 million.

METRO RED LINE - Segment 3 North Hollywood

Monthly Project Status Report

Period Ending - May 1, 1998



FINANCIAL STATUS

Contract / Line Item Variance

CONTRACT VARIANCE: (Current Forecast differs from Current Budget by 10% or more and Current Budget is \$50 million or more).

***Contract B251 - Tunnel Segment Hollywood/Vine to Rock Interface (603+00)**

Current Budget: \$60,500,000
Forecast: \$44,859,587
Variance: (\$15,640,413)
%Variance: (25.9%)

Mitigation: The Current Budget was updated through PBCR #3 which allocated additional budget to the contract for original contract delays, grouting, work resequencing and potential claims as a result of the tunnel settlement and termination of the SKK contractor. The forecast reflects the last known information prior to the sinkhole and street settlement. The contractor has been terminated and ongoing litigation between MTA, PD and SKK will result in significant claims and insurance damages. Since the attorney client confidentiality prevents PD from disclosing a possible claim exposure figure, the forecast will remain unchanged until public filings are made.

***Contract C0301 - Tunnels from UC City Stn to NH Stn**

Current Budget: \$73,991,000
Forecast: \$81,934,382
Variance: \$7,944,382
%Variance: 10.7%

Mitigation: The Current Budget reflects the anticipated cost of the physical work scope of the contract. The variance as reported in the forecast is largely comprised of potential change growth and allocated contingency to address outstanding claim exposure. The JMA Construction Management field office staff is actively evaluating delay mitigation measures which comprise a large portion of the variance.

***Contract C0331 - Tunnels from UC City Stn to NH Stn**

Current Budget: \$98,628,200
Forecast: \$116,397,995
Variance: \$17,769,795
%Variance: 18.0%

Mitigation: The Current Budget reflects the anticipated cost of the physical work scope of the contract. The variance as reported in the forecast is largely comprised of potential change growth and allocated contingency to address outstanding claim exposure. The PD Construction Management field office has a claims evaluation team assessing the contractor submittals to identify areas of claim mitigation.

***Contract C0351 - North Hollywood Station**

Current Budget: \$83,742,000
Forecast: \$71,748,199
Variance: (\$11,993,801)
%Variance: (14.3%)

Mitigation: The Current Budget reflects the final engineer's estimate prior to contract award. Forecast is less than the budget due to contract bid coming in at a lower than anticipated value.

LINE ITEM VARIANCE: (Current Forecast Differs From Current Budget by 10% or more for The Line Item Total)

***Line 03 - Hazardous Material Handling**

Current Budget: \$15,058,000
Forecast: \$5,177,718
Variance: (\$9,880,282)
%Variance: (65.6%)

Mitigation: The Current Budget reflects the conservative scenario presented by MTA Environmental based on the limited information available at the inception of the North Hollywood Project. Forecast is less than the budget due to less than anticipated contaminated soil encountered to date. Final adjustments to budget and forecast will occur once significant soils excavation is complete.

***Line 07 - Systemwide Equipment**

Current Budget: \$46,051,000
Forecast: \$54,901,736
Variance: \$8,850,736
%Variance: 19.2%

Mitigation: The forecast variance of \$8.9M is largely due to a number of contracts with significant changes in work scope and additional escalation costs including design updates, labor and overhead issues, economic price adjustments and contract contingency adjustments.

Line 08 - Trackwork

Current Budget: \$25,526,000
Forecast: \$33,494,865
Variance: \$7,968,865
%Variance: 31.2%

Mitigation: Contract C1610, Trackwork Installation, is contributing \$7.9M of the total variance of \$8.0M. The variance is due to the necessary addition of installation, operation and maintenance of the temporary ventilation system and sump pumps, operation and maintenance of the La Brea and North Access shafts, and constructing a sound wall for the C1610 yard work at North Hollywood. These changes were necessary to coordinate the overall system ventilation, provide more effective access through the Access Shafts, and to satisfy environmental requirements not initially budgeted. There is no potential to recover this variance.

***Line 09 - Testing and Pre Revenue Operations**

Current Budget: \$7,715,000
Forecast: \$9,296,000
Variance: \$1,581,000
%Variance: 20.5%

Mitigation: The Current Budget reflects the original Project Control assessment of testing and pre-revenue operational requirements established in 1993. The forecast has been reevaluated to include areas of potential cost exposure related to delay mitigation/acceleration. Project staff is implementing mitigation measures by concentrating on reducing direct labor charges to the project and comprehensively reexamining the proposed staffing levels required for the impacted Operations division which will service this aspect of the project.

* Notes no change from prior period.

METRO RED LINE - Segment 3 North Hollywood
Monthly Project Status Report
Period Ending - May 1, 1998



FINANCIAL STATUS

METRO RED LINE NORTH HOLLYWOOD PROJECT
 (IN MILLIONS OF DOLLARS)

| SOURCE | (A) ORIGINAL BUDGET | (B) TOTAL FUNDS ANTICIPATED (1) | (C) TOTAL FUNDS AVAILABLE | (D) COMMITMENTS \$ | (D/B) % | (E) EXPENDITURES \$ | (E/B) % | (F) BILLED TO FUNDING SOURCE \$ | (F/B) % |
|---|---------------------------|---|------------------------------------|--------------------------|------------|---------------------------|------------|--|------------|
| | | | | | | | | | |
| ORIGINAL SCOPE: | | | | | | | | | |
| FTA-SECTION 3 | \$681.037 | \$544.830 | \$348.998 | \$544.830 | 100% | \$380.977 | 66% | \$348.998 | 64% |
| FTA-SECTION 3 DEFERRED LOCAL SHARE | | \$138.207 | \$88.749 | \$138.207 | 100% | \$90.244 | 66% | \$88.749 | 84% |
| FED ISTEA STP (STATE) | \$0.000 | \$57.800 (5) | \$57.800 | \$50.000 | 87% | \$50.000 | 87% | \$50.000 | 87% |
| FED ISTEA STP/CMO (REGIONAL) | \$25.000 | \$70.540 | \$53.037 | \$53.037 | 75% | \$53.037 | 75% | \$53.037 | 75% |
| FED ISTEA RSTP DEFERRED LOCAL SHARE | | \$9.139 | \$8.871 | \$8.871 | 75% | \$8.871 | 75% | \$8.871 | 75% |
| SB 1995 TRUST FUND | \$53.000 | \$68.688 | \$68.688 (2) | \$68.688 | 100% | \$68.688 | 100% | \$68.688 | 100% |
| STATE SHA/ARTICLE XIX | \$115.000 | \$45.855 | \$20.855 | \$20.855 | 45% | \$20.855 | 45% | \$20.855 | 45% |
| STATE PROP 116 | \$0.000 | \$57.152 (5) | \$57.152 | \$25.000 | 44% | \$25.000 | 44% | \$25.000 | 44% |
| STATE TSM Match | \$0.000 | \$11.360 | \$10.537 | \$10.537 | 93% | \$10.537 | 93% | \$10.537 | 93% |
| STATE CTIP | \$0.000 | \$187.145 (5) | \$0.000 | \$15.685 | 8% | \$0.000 | 0% | \$0.000 | 0% |
| CITY OF LA | \$101.500 | \$90.048 (3) | \$55.448 | \$55.448 | 62% | \$55.448 | 62% | \$55.448 | 62% |
| PROP C | \$318.185 | \$54.062 | \$45.441 | \$48.789 | 87% | \$45.441 | 84% | \$45.441 | 84% |
| BENEFIT ASSESS. DISTRICT | \$17.100 | \$0.000 (6) | \$0 | \$0 | 0% | \$0 | 0% | \$0 | 0% |
| TOTAL | \$1,310.822 | \$1,310.822 | \$807.572 (4) | \$1,031.923 | 79% | \$785.094 | 60% | \$787.820 | 59% |
| OTHER LOCALLY FUNDED ACTIVITIES: | | | | | | | | | |
| PROP C (ARTWORK) | \$0.000 | \$2.435 | \$0.610 | \$1.396 | 57% | \$0.235 | 10% | \$0.000 | 0% |
| PROP C (NON-REV. CONNECTOR) | \$0.000 | \$0.285 | \$0.003 | \$1.077 | 378% | \$0.003 | 1% | \$0.003 | 1% |
| TOTAL | \$0.000 | \$2.720 | \$0.613 | \$2.473 | 91% | \$0.238 | 9% | \$0.003 | 0% |

(1) Based on Current Budget. Allocation by funding source based on Nov 97 draft funding plan.

(2) Funds available have been reduced by \$7.3M due to usage of interest proceeds to other programs.

(3) Assumes the City of LA will contribute 7% of the total project cost.

(4) When funds available are lower than expenditures, Treasury uses the cash pool account to pay the unfunded balance. Once funds become available, Grant Accounting bills the appropriate funding source and Treasury reimburses the cash pool account.

(5) State CTIP funds (\$39.952M) are being replaced by additional STP funds (\$7.8M transfer from LA rail cars project) and additional Prop 116 funds (\$15M from East Side project & \$17.152M from LA Rail Car project).

(6) Benefit Assessment District funds are no longer expected due to passage of Prop 208 (Right to vote on tax initiatives)

NOTE: EXPENDITURES ARE CUMULATIVE THROUGH MARCH 1998.

METRO RED LINE - Segment 3 North Hollywood
Monthly Project Status Report
Period Ending - May 1, 1998



FINANCIAL STATUS
METRO RED LINE TOTAL SEGMENT 3 PROJECT
(IN MILLIONS OF DOLLARS)

| 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 \$ | (F/B) % |
|---|---------------------------|--------------------------------------|------------------------------------|--------------------------|------------|---------------------------|------------|--|------------|
| ORIGINAL SCOPE: | | | | | | | | | |
| FTA-SECTION 3 | \$1,317.912 | \$1,133.192 | \$408.182 | \$829.035 | 56% | \$422.161 | 37% | \$408.182 | 36% |
| FTA-SECTION 3 DEFERRED LOCAL SHARE | \$98.578 | \$283.298 | \$102.045 | \$157.258 | 56% | \$105.540 | 37% | \$102.045 | 36% |
| FED ISTEA STP (STATE) | \$25.000 | \$82.800 | \$82.800 | \$50.000 | 60% | \$50.000 | 60% | \$50.000 | 60% |
| FED ISTEA STP/CMAQ (REGIONAL) | \$156.617 | \$133.953 | \$71.998 | \$54.292 | 41% | \$54.292 | 41% | \$54.292 | 41% |
| FED ISTEA RSTP DEFERRED LOCAL SHARE | \$9.875 | \$17.355 | \$9.328 | \$7.034 | 41% | \$7.034 | 41% | \$7.034 | 41% |
| SB 1995 TRUST FUND | \$53.000 | \$68.688 | \$68.688 | \$68.688 | 100% | \$68.688 | 100% | \$68.688 | 100% |
| STATE SHA/ARTICLE XIX | \$165.000 | \$85.855 | \$20.855 | \$20.855 | 24% | \$20.855 | 24% | \$20.855 | 24% |
| STATE PROP 118 | \$87.300 | \$57.152 | \$57.152 | \$25.000 | 44% | \$25.000 | 44% | \$25.000 | 44% |
| STATE FLEXIBLE CONGESTION RELIEF | \$28.000 | \$50.000 | \$0.000 | \$0.000 | 0% | \$0.000 | 0% | \$0.000 | 0% |
| STATE TSM Match | \$11.142 | \$14.695 | \$10.537 | \$10.537 | 72% | \$10.537 | 72% | \$10.537 | 72% |
| STATE CTIP | \$0.000 | \$167.145 | \$0.000 | \$15.685 | 9% | \$0.000 | 0% | \$0.000 | 0% |
| CITY OF LA | \$136.244 | \$163.490 | \$55.448 | \$55.448 | 34% | \$55.448 | 34% | \$55.448 | 34% |
| PROP C | \$677.318 | \$787.131 | \$105.411 | \$123.566 | 16% | \$103.882 | 13% | \$103.882 | 13% |
| BENEF ASSESS. DISTRICT | \$17.100 | \$0.000 | \$0.000 | \$0.000 | 0% | \$0.000 | 0% | \$0.000 | 0% |
| TOTAL | \$2,781.088 | \$3,042.752 | \$990.440 | \$1,215.374 | 40% | \$921.433 | 30% | \$903.959 | 30% |
| OTHER LOCALLY FUNDED ACTIVITIES: | | | | | | | | | |
| PROP C (ARTWORK) | \$0.000 | \$2.435 | \$0.810 | \$1.396 | 57% | \$0.235 | 10% | \$0.000 | 0% |
| PROP C (NON-REV. CONNECTOR) | \$0.000 | \$0.285 | \$0.003 | \$1.077 | 378% | \$0.003 | 1% | \$0.003 | 1% |
| TOTAL | \$0.000 | \$2.720 | \$0.813 | \$2.473 | 91% | \$0.236 | 9% | \$0.003 | 0% |

(1) BASED ON CURRENT BUDGET

NOTE: EXPENDITURES ARE CUMULATIVE THROUGH MARCH 1998.

METRO RED LINE - Segment 3 North Hollywood
Monthly Project Status Report
Period Ending - May 1, 1998



FINANCIAL STATUS

Metro Red Line Segment 3 Project
Funds by Source Analysis

STATUS OF FUNDS ANTICIPATED

| | |
|---|--|
| FTA SECTION 9 | MTA submitted a grant application for \$37,393,664 of Section 3 Funds in March 1998 for the North Hollywood Project. Grant approval is expected by August 1998. |
| FTA SECTION 9 FED ISTEA/CMAQ | Grant award was approved on August 27, 1997 for FY 96 CMAQ \$20 million funds. Funds will not be available for drawdown until FTA approves the MTA Rail Recovery Plan. MTA submitted a grant application on March 31, 1998 for \$20.6 million of CMAQ funds to be allocated to the North Hollywood Project. Approval is expected in August 1998. |
| FTA SECTION 9 FED ISTEA/STP | Grant award for \$75 million of STP funds was approved on August 27, 1997. Funds are now available for drawdown with the exception of \$25 million allocated to the Eastside Project. These funds will be available for drawdown only when FTA approves the MTA Rail Recovery Plan. MTA submitted a request to CTC to reprogram STP funds initially earmarked for LA Rail Car Project to the North Hollywood Project for a total of \$7.8 million. CTC approved MTA request on March 31, 1998. |
| STATE PROP 116 | MTA submitted on April 8, 1997 a grant application and an allocation request to the CTC for \$15 million of Prop. 116 Rail Bond Funds. Funds will now be allocated against the North Hollywood Project instead of the Eastern Extension Project. MTA requested the CTC to take action for transferring the funds. Funds were allocated on March 31, 1998. MTA submitted a Prop. 116 application to transfer allocation of funds from LA Rail Car Project to the North Hollywood Project for a total of \$17.1 million. CTC approval was granted on March 31, 1998. |
| STATE SHA | MTA submitted on June 27, 1997 an allocation request to the CTC for \$20 million of State Highway Account (SHA) funds. Funds will be allocated against the Eastern Extension Project. Approval was obtained in February 1998. On May 5, 1998, the CTC approved \$26 million of State SHA for the North Hollywood Project. The fund transfer agreement is expected to be executed in July 1998. |
| CITY OF LA | A fund transfer agreement was executed on July 24, 1997 for a total amount of \$200 million. The first installment totaling \$55.4 million is available for drawdown. |
| BENEFIT ASSESSMENT | Funds are no longer expected due to passage of Prop. 218 (Right to Vote on Tax Initiatives). |

METRO RED LINE - Segment 3 North Hollywood

Monthly Project Status Report

Period Ending - May 1, 1998

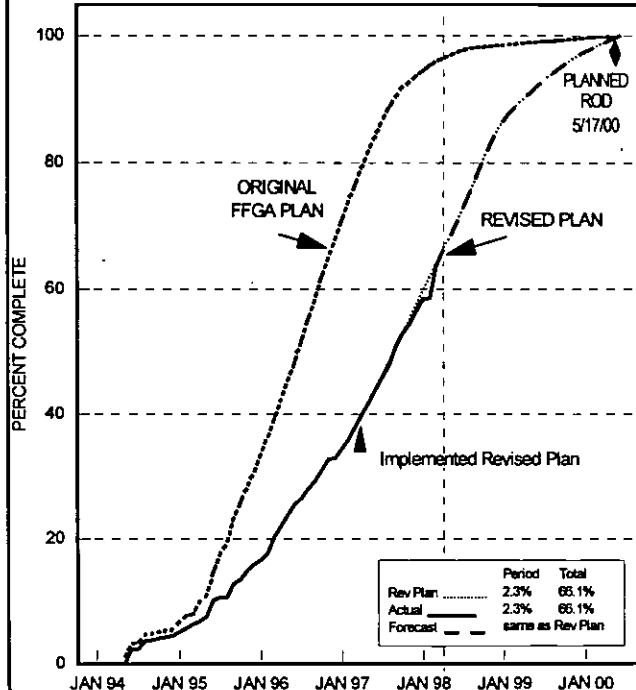


SCHEDULE STATUS

Schedule

| | | Change from Last Month |
|--------------------------------------|--------------|---------------------------|
| Project Target | May 17, 2000 | |
| Forecast ROD | June 8, 2000 | 15 w.d. |
| Design Progress | 94.1% | +0.1% |
| Construction Progress (estimated) | 66.1% | +2.3% |
| Critical Path Float | -15 w.d. | 15 w.d. |

Construction Progress



Current Critical Path Analysis

The April 1998 Project Master Schedule shows the project behind schedule. Forecast completion date is June 8, 2000 versus May 17, 2000 target date. Delays in the negotiation of B646, Fire and Emergency Management Contract Technical Information Update are causing a three weeks program slippage. Mitigation options include splitting the delivery of the hardware and software, and the acceleration of the software/hardware design.

Mitigation options for C0311 currently under review include providing early access to trackwork south of La Brea Shaft. Administrative CN will be issued to trackwork contract in case this early access is required.

The project now has two separate critical paths. The primary critical path with 15 days of negative float runs through B646 (Fire and Emergency Management), H0648 (Communications Installation), Systems Integration Testing, and Pre-Revenue Operations. The secondary critical path with 13 days of negative float runs through C0311 (Tunnels), C1610 (Trackwork Installation), B620 (Automatic Train Control), B645 (TRACS) and Integration/Testing/Pre-Revenue Operations.

Focus on the project is shifting from excavation and concrete to the more complex mechanical, electrical and systems area. Facilities-systems interfaces are being closely coordinated. To date, all access from facilities to systems contracts have been met. All access dates from facilities to systems for the next three months are on schedule.

Construction Progress Analysis

The overall construction progress through April is 66% complete.

Contract C0301 (Hollywood/Highland Station) contractor continues to accelerate work to mitigate its own delays on west end of station. All milestone dates have been negotiated with contractor in CNS 191 and 194 and change orders are being prepared. Access to mechanical/electrical was given to east side of station. All station scheduled concrete to be completed in June. No impact to ROD.

Contract C0311 (North Hollywood Tunnel) track level room excavation, AR and AL invert concrete work north of TLR, and arch concrete work south of La Brea Shaft were completed this period. AR arch concrete work is 15% complete and AL arch concrete started. Although construction pace continues to be good, redesign of the TLR mechanical and electrical and delay of Crosspassages 48-43 excavation could further delay trackwork access. Contractor presented a revised plan showing AL completion as December 7, 1998. A study is being prepared to analyze different trackwork options and minimize impact to ROD.

Contract C0321 (Universal City Station) is on schedule. The contract critical path starts at Phase 3 partial access in November 1997 and runs through contract completion. Track access to crossovers and station platform were modified to improve overall trackwork sequencing. Crossover access was accelerated by one month and platform access was delayed by one month. North access to equipment rooms for air handling units installation is on schedule for May 15, 1998. Schedule impacts to interim Milestones 9, 10 and 11 are under negotiations. No impact to ROD.

Contract C0331 (North Hollywood Tunnel) contractor provided south trackwork access on April 24, and continues working 6-day work week, multiple shifts. Remaining tunnel work for Milestones 2A & 3 completion is punch list and NCR repair.

Contract C0351 (North Hollywood Station) contractor continues working a three-shift operation. Milestones 2 & 3 Trackwork Access were completed on schedule. The contractor is focusing on meeting upcoming milestones.

Contract C1610 (Trackwork Installation) contractor is working 12 hour days and a 6-day week to mitigate lost time. Access to C0351 Station tail and pocket track was received on May 1. C0351 crossover is 50% complete. C0331 AL tunnel water blasting and survey is complete to MVS. Delivery of Type-3 fasteners for C0331 is expected in May.

METRO RED LINE - Segment 3 North Hollywood
Monthly Project Status Report
Period Ending - May 1, 1998



SAFETY STATUS

Construction Safety Statistics

Project-to-Date Rates

**Change from
Last Month**

Recordable Injury Rate

The number of recorded injuries excluding simple first aid or minor medical treatment per 100 work years.

| | | |
|------------------------------|------|---|
| 1995 National Average | 10.6 | |
| Project Rate | 16.5 | 0 |

Lost Time Rate (Frequency)

The number of injuries resulting in days away from work per 100 work years.

| | | |
|------------------------------|-----|---|
| 1995 National Average | 4.2 | |
| Project Rate | 1.9 | 0 |

(Based on March 1998 statistics)

Construction Safety Summary

The Project-to-Date Lost Time Injury Rate is less than one-half of the National Average of 4.2.

The project is currently completing over 210,000 work hour per month. To date, the project has completed over 5,950,000 work hours.

METRO RED LINE - Segment 3 North Hollywood
Monthly Project Status Report
Period Ending - May 1, 1998



MANAGEMENT ISSUES

ONGOING

Item (Date initiated: March 1998)
Project Contingency

Concern/Impact

The cost forecast is based on several critical assumptions. These assumptions are: all existing contracts will be completed for the forecast amount, bids for new contracts will be received within the forecast amounts, and the project schedule will be maintained for a ROD of May 2000. The cashflow projection is based on the current construction schedule which includes completion of the major facilities contracts within the fiscal year 1999 and achieving ROD in May 2000.

At this time, the project forecast cost at completion will potentially exceed the budget for Additional Locally Funded Activities. There will be no impact to the Full Funding Grant Agreement budget. This projection is based upon the review of all project budget elements, including construction contracts, purchase orders, real estate, environmental mitigation, professional services and Agency costs. This potential overrun is primarily the result of increased Agency overhead costs which have exceeded the budget by approximately \$27 million. In addition, there are several identified risks that are anticipated but cannot be accurately quantified at this time. These risks include Hollywood Boulevard subsidence claims, construction contract claims, contract bid values exceeding the estimated amounts, and cost associated with delay mitigation to the project schedule.

Status/Action

The project team is actively minimizing these potential cost impacts. Project scope elements are continually reviewed and project features that are not essential to operational functions are being deleted. For example, the North and South single crossovers, midline vent shaft structure and the non revenue connector in the Santa Monica Mountain tunnels were all deleted to achieve significant cost savings. Construction contract work has been resequenced and additional access has been provided to preclude delays to installation of trackwork and subsequent systems contracts. Construction claims are being aggressively challenged and defended as evidenced by numerous Disputes Review Board findings that were significantly below the contractor's claimed amounts. Professional service consulting contract requirements are being reassessed and revised to reduce manpower costs.

ONGOING

Item (Date initiated: January 1998)
Change Process

Concern/Impact

On January 22, 1998 the Segment 3 - North Hollywood Extension Construction Management Consultants, JMA and Parsons Dillingham (PD), were advised that MTA's Chief Executive Officer had moved all signature authority on construction projects from the MTA Construction Division to the Procurement Division. Accordingly, all of JMA's and PD's delegated signature authorities were revoked. The impact of this major management change is to significantly centralize the delegated approval authority, creating a substantial work load for the Deputy Executive Officer (DEO), Procurement and the North Hollywood Manager of Contracts. Previously, the change approval authority was decentralized to JMA's and PD's Resident Engineers, MTA Construction Division and Project Manager. The Project Office is concerned that this newly centralized authority will overwhelm the DEO, Procurement and the North Hollywood Manager of Contracts, substantially increasing the time and effort to process necessary changes to construction contracts, including time critical Limited Notices to Proceed. This, in turn, may jeopardize the ability to achieve the proposed ROD of May 17, 2000. It may also increase the overall cost of the Project as a result of construction delay claims.

Discounting those changes greater than \$200,000, which must go to the Board, changes between \$25,000 and \$200,000 must be reviewed and executed by Executive Management.

Status/Action

The Procurement Division has reestablished levels of authority to the Construction Manager Consultant's Resident Engineers and the Contract Administrators. This has improved the processing of small changes.

Increasing the Contract Administration Manager's authority from \$25,000 to \$100,000 would mitigate the prolonged signature cycle for about 80% of the construction managers.

METRO RED LINE - Segment 3 North Hollywood
Monthly Project Status Report
Period Ending - May 1, 1998



MANAGEMENT ISSUES

ONGOING

Item (Date initiated: January 28, 1998)

Contract B646 Fire & Emergency Management System Technical Update Change

Concern/Impact

Contractor has not started any work pending resolution of Technical Update Change Resolution (DCN #97-33, CN #66). The change process has impacted the follow-on contractors and the Project ROD. The delay is increasing the cost of construction at an approximate rate of \$60,000 per calendar day.

Status/Action

The labor and overhead rate issues were negotiated and approved by MTA and as a result the contractor has submitted a revised cost proposal which is in MTA audit. The path forward is to negotiate this change as expeditiously as possible and issue the bilateral change to the contractor by July 1, 1998. As a part of the mitigation plan, MTA will be negotiating acceleration of the engineering (PDR, FDR); splitting of the hardware and software deliveries to H0648 to minimize the cost and schedule impact.

RESOLVED

Item (Date initiated: February 1996)

MTA Board Motion Dated January 24, 1996

Concern/Impact

The MTA Board Motion to adopt community protection measures due to tunneling under the Santa Monica Mountains has added additional cost and time to Contract C0311 and to the project. The protective measures instituted by the Board are being implemented on the tunneling Contract C0311 and include reducing the amount and intensity of blasting, increasing tunnel grouting to prevent surface springs leaking into the tunnel, and monitoring tunneling effects on the surrounding public and private property ecosystems.

Status/Action

The forecast cost and schedule impacts to Contract C0311 have been incorporated into the program. The seasonal springs protective measures included the cost and schedule contingencies for supplemental formation grouting in Reach 4 and Reach 1 after installation of the liner. Supplemental water sources have been installed in several locations for Nichols Canyon Creek, Senalda Road, and the Oakshire Catchment to mitigate the decline of perennial springs. An irrigation scheme is being installed at La Brea Terrace to mitigate impacts on vegetation. The blast vibration monitoring system is in place and operational. Blasts to date have not generated perceptible vibrations at the surface.

The hydrogeological study Stage I water balance with supplement for Reach 4 has been completed and the draft report has been distributed to all interested parties. A Change Notice is being developed for supplemental formation grouting through the liner based on the findings of the hydrogeological study. A Design Change Notice was issued to omit weepholes in the tunnel liner beneath Runyon Canyon Park.

METRO RED LINE - Segment 3 North Hollywood
Monthly Project Status Report
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MANAGEMENT ISSUES

RESOLVED

Item (Date initiated: January 30, 1998)

Contract B710 Escalators and Elevators Supply and Installation - Cure Notice Issued for Segment 2 Work

Concern/Impact

On January 27, 1998, a Cure Notice was issued by MTA to the B710 contractor for lack of progress on Segment 2. This raises concern as to whether the contractor will be able to perform on Segment 3, North Hollywood Extension.

Status/Action

A Cost and Schedule Benefit Analysis for Contract B710, Escalators and Elevators, was submitted on February 20, 1998. The initial path forward was to work with the B710 contractor to resolve outstanding contractual and access issues as they relate to the North Hollywood extension. At the April 1, 1998, B710-R82 progress meeting, the station access dates and equipment deliveries were finalized. At C0351, North Hollywood Station, the equipment deliveries will be five (5) months after access is available. At C0321, Universal City Station, the equipment will be delivered one (1) month after access is available. A no-cost change was issued to revise the NTP date from July 1997 to September 1997. At C0301, Hollywood Highland Station, the equipment deliveries will be two (2) months after access is available. Allowing for the six months that the B710 contractor is allowed to finish installation, the station finish work beyond B710 completion at C0351 will need to be transferred to C0390, Miscellaneous Construction, and similar finish work at C0301 and C0321 may need to be transferred to C0390. The B710 contractor has been maintaining their scheduled delivery dates, and there has not been any indication that they will be unable to perform to their installation schedules. This issue is considered resolved.

RESOLVED

Item (Date initiated: February 1998)

Project Cost Forecasts

Concern/Impact

The accuracy of project cost forecasts are being affected by the lack of current cost information from the Risk Management and County Counsel departments. Furthermore, the cost impact of future engineering and construction claims to the project budget can not be accurately determined.

Status/Action

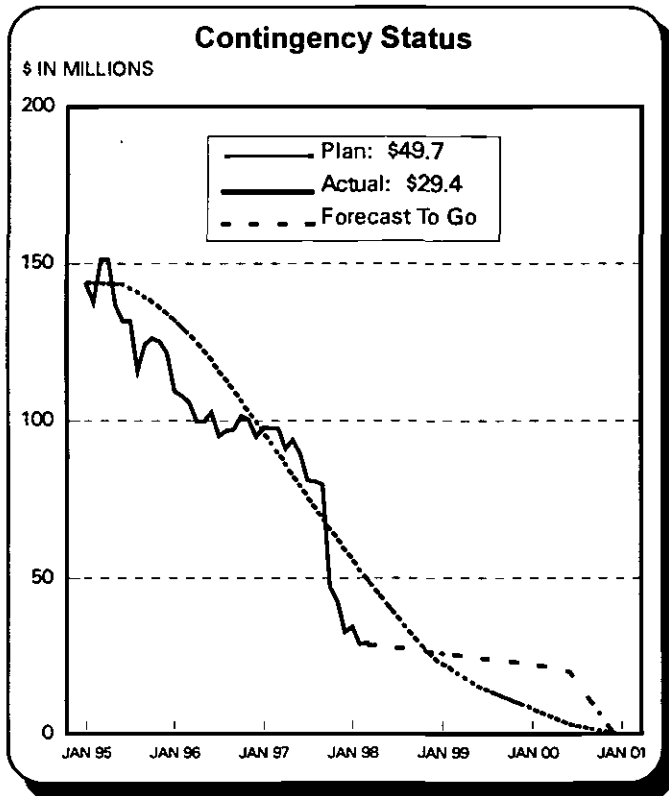
MTA executive management has been advised of this issue and the project staff are continuing to coordinate with and assist all cost center managers in order to achieve a more accurate projection of the project total cost at completion.

There is an improvement in the forecasting process. This issue is being closed based on acceptable forecasting from all cost centers.

METRO RED LINE - Segment 3 North Hollywood
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COST STATUS



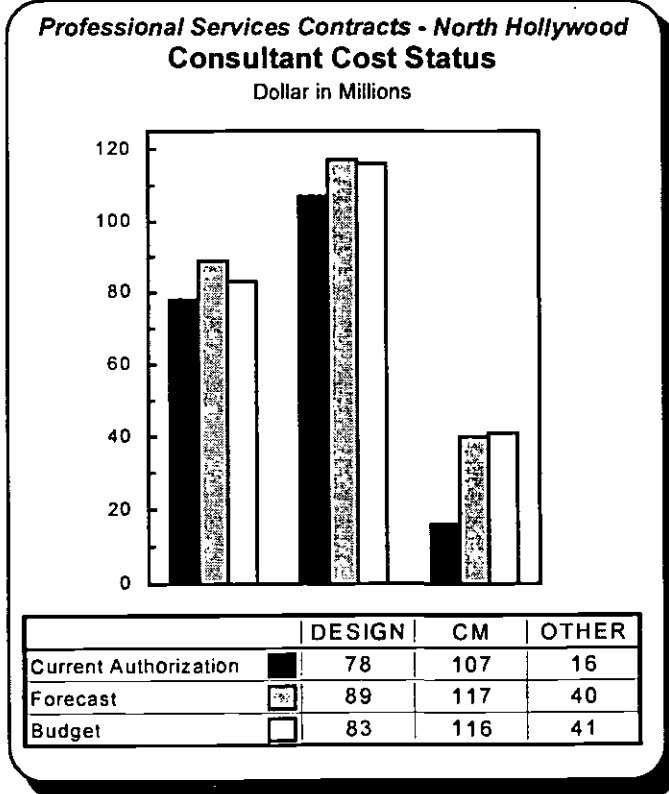
Contingency Status Analysis

March 1998 Period Status

The Contingency Forecast increased \$0.4 million this period to offset a decrease in the Construction Element.

Cumulative Contingency Status

The variance of \$20.3 million is between the actual and planned contingency is primarily due to allocations to several construction and professional services contracts.



Professional Services Cost Analysis

There were no authorization or forecast changes for this reporting period.

There is a variance for the forecast and budget under the design line item. This is largely due to recent forecast increases for Board approved authorizations.

Other specialty consultant forecasts include costs for Configuration Management Services, Systems Engineering and Analysis, Rail Vehicle Procurement Services, Environmental Services, Legal Services, Construction Support Services, Labor Compliance and Project Management Assistance.

DATA SOURCE:

CMS: Consultant Contract Authorization, Forecast, and Budget Value.

METRO RED LINE - Segment 3 North Hollywood
Monthly Project Status Report
Period Ending - May 1, 1998



QUALITY MANAGEMENT

continued from ES-1

- C0351 1 surveillance completed
5 Quality Action Requests open, 4 issued, 0 closed
Resident Engineer audit complete, 4 Quality Action Requests issued

QASRP

- C0311 Cast-in place concrete tunnel lining (4/29/98) Traylor Bros./JMA
- C0321 NCR status (4/27/98) JMA
- C1610 Rail flash welding (4/20/98) Holland/Herzog/JMA
- C0311 Track level room blasting operations (4/7/98) Traylor Bros./JMA

Design Quality Management

Attend the kick off meeting for Inca Engineering. Inca Engineering will act as the Section Designer for site restoration design work at the Universal City Station site. There appears to be quite a bit of interface management activity that will have to be done by the MTA.