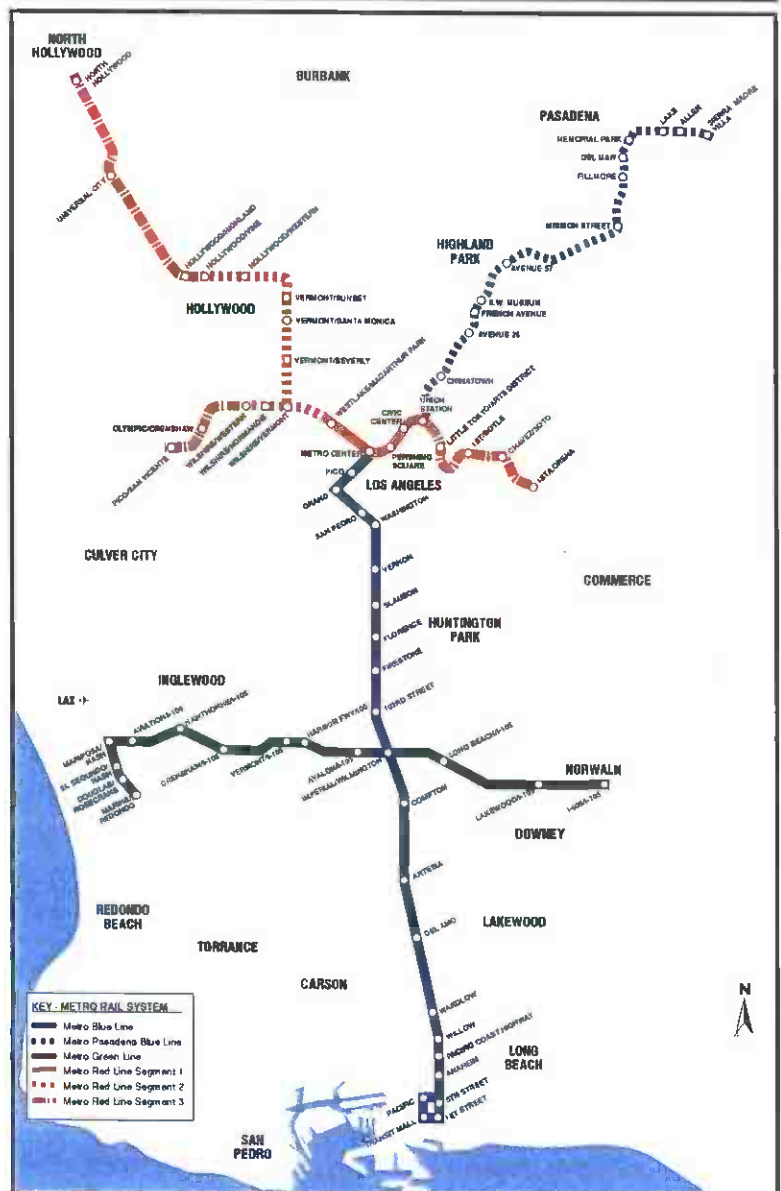


MTA METRO CONSTRUCTION



Executive Report Rail Program Status



MAY 1998

RAIL PROGRAM STATUS SUMMARY

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

MAY 1998

RAIL PROGRAM SUMMARY



EXECUTIVE SUMMARY RAIL PROGRAM STATUS as of May 1998

RAIL PROGRAM STATUS SUMMARY

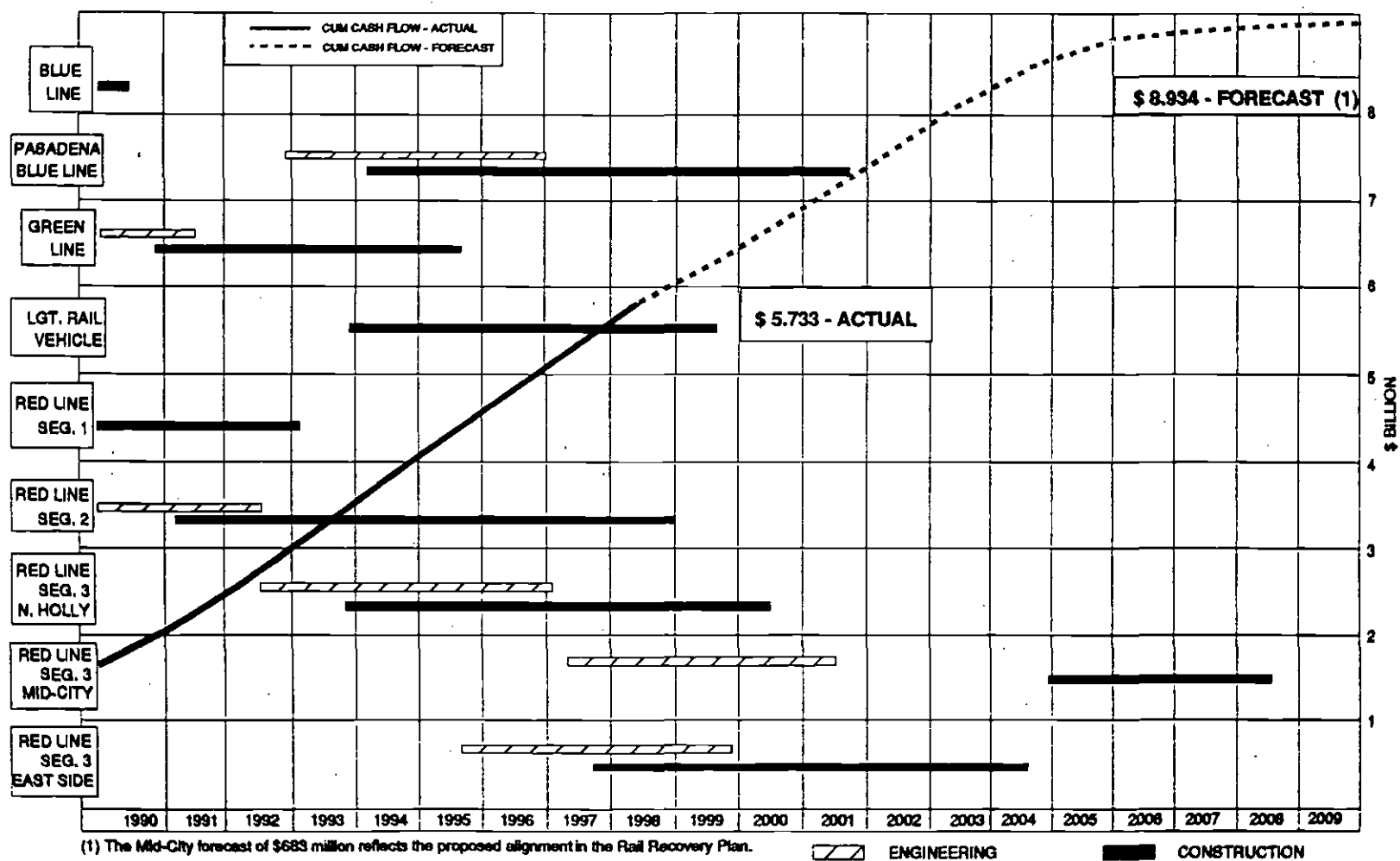
MAY 1998

	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	Wiltshire 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%	94.2%	Final Not Started	86.8%	Completed	80.3%	Completed	Based on Milestones 98%	3 of 9 complt'd.
Construction Status	Completed	95.5%	67.6%	Not Started	Not Started	Completed	11.7%	99%	Based on Milestones 60%	3 of 9 complt'd.
Expenditures to Date (in mil.)	\$1438	\$1505	\$798	\$13	\$121	\$860	\$221	\$671	\$106	\$5733
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%

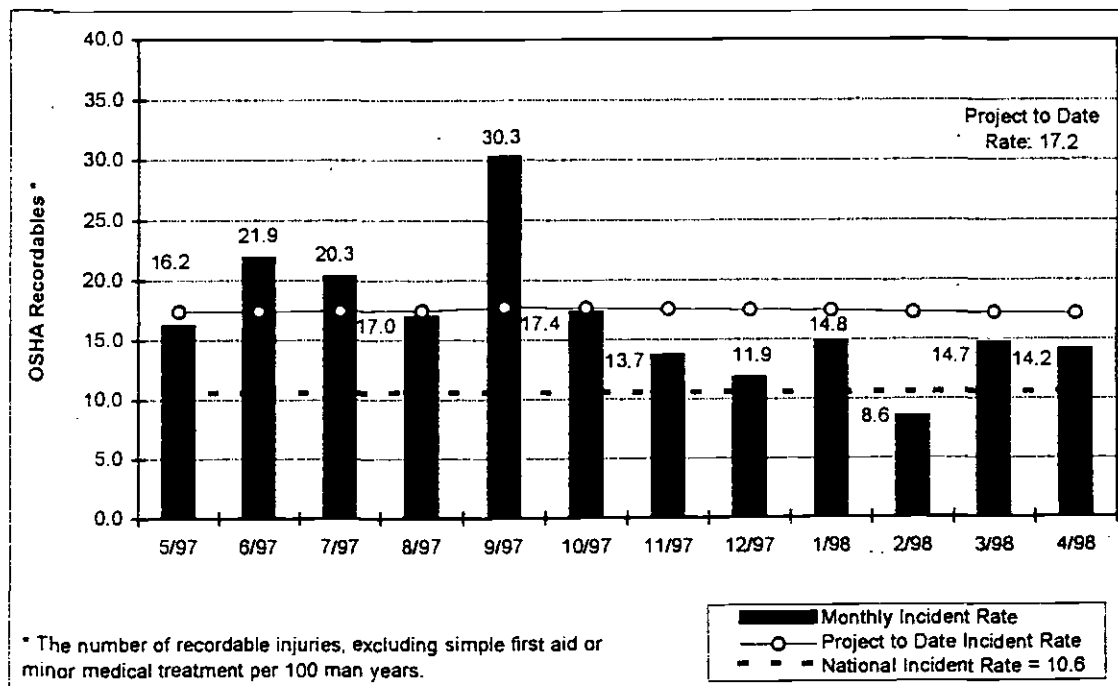
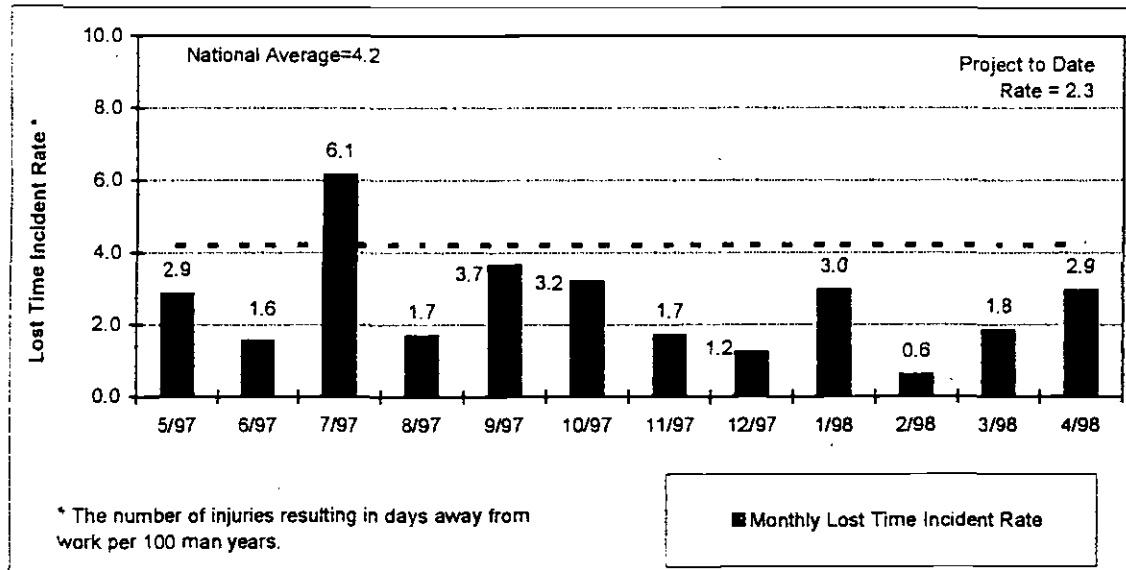
**METROPOLITAN TRANSPORTATION AUTHORITY
FUNDING SOURCES (IN MILLIONS)**

	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	MAY 1998 TOTAL PROGRAM	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
ORIGINAL SCOPE:											
FTA-SECTION 3			605.3	667.0	681.0	242.6	492.9			2688.8	31
FTA - OTHER											
ISTEA - FED SURFACE TRANSIT PROG				52.1	57.8		25.0		78.2	211.1	3
FED-ISTEA RSTP/CMAQ					79.7	20.4	51.2		6.1	157.4	2
FTA-SECTION 8			90.6							90.6	1
STATE		105.9	210.3	133.0	265.1	90.0	0.0	387.8	16.4	1208.5	14
STATE TSM MATCH					11.4	2.7	0.7			14.8	0
SB 1986 TRUST FUNO					66.7					66.7	0
PROPOSITION A	877.2	205.1	179.5	504.3						1766.1	20
PROPOSITION C		395.3			59.1	327.3	405.9	416.1	158.9	1767.6	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	129.1						329.2	4
APPROVED BUDGET	877.2	712.3	1450.1	1581.5	1310.8	683.0	1049.2	803.9	257.6	8726.6	99
CURRENT FORECAST	877.2	727.4	1439.0	1670.8	1310.8	683.0	1049.2	822.4	201.4	8781.2	
ADDITIONAL LOCALLY FUNDED ACTIVITIES:											
PROP C (TRANSIT ENHANCEMENTS)				62.7	2.7					65.4	1
FED ISTEA RSTP/CMAQ				2.6						2.6	0
APPROVED BUDGET	0.0	0.0	0.0	65.3	2.7	0.0	0.0	0.0	0.0	68.0	1
CURRENT FORECAST	0.0	0.0	0.0	68.0	29.7	0.0	66.6	0.0	0.0	154.3	

(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 29, 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	-\$ 0.4	0.0 %
Prior Cumulative Prog.	167.2	99.2
Cumulative Progress	166.8	99.2
CONSTRUCTION		
Monthly Progress	-\$18.7	0.2 %
Prior Cumulative Prog.	995.4	95.3
Cumulative Progress	976.7	95.5
OTHER Cost Elements	\$361.6	
TOTAL	\$ 1505.1	

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	474.3	435.5
City of Los Angeles	96.0	94.0	93.6
Benefit Assessment Dist	0.0	0.0	0.0
Benefit Assess. Shortfall	0.0	25.4	25.4
Cost Overrun Account	129.1	53.7	53.7
Prop C Transit Enhance	62.7	48.0	44.8
ISTEA CMAQ/RSTP	2.6	0.0	0.0
TOTAL	\$1646.8	\$1547.5	\$1505.1

BUDGET/FORECAST STATUS (in \$ mil.)

Cost Element	Current Budget	Current Forecast
Construction	\$1101.1	\$1103.9
Professional Services	421.1	479.8
Real Estate	84.9	83.6
Utility Force Account	32.4	30.4
Special Programs	2.5	2.5
Contingency	4.8	39.9
Project Revenue	0.0	(1.3)
TOTAL PROJECT	\$1646.8	\$1738.8

SCHEDULE STATUS

REVENUE OPERATIONS DATE: December 1998

The 201 calendar days of negative float forecast represent a delay of 8 days to ROD from the last period. This path was delayed last month by B261. Vermont/Sunset Station electrical and mechanical work slippage, resulting from slower-than-planned progress by the Contractor.

CURRENT ACTIVITIES / ISSUES

Improving performance of the B261 Vermont/Sunset Station contractor will mitigate delays to the forecast revenue operations date of July 8, 1999. The Project Office is committed to continuing review of all mitigation opportunities. In June 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 29, 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	\$ 0.5	0.1 %
Prior Cumulative Prog.	71.1	94.1
Cumulative Progress	71.6	94.2
CONSTRUCTION		
Monthly Progress	\$ 8.9	1.5 %
Prior Cumulative Prog.	507.0	66.1
Cumulative Progress	515.9	67.6
OTHER Cost Elements	\$210.8	
TOTAL	\$ 798.3	

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

Source	Total Funds Anticipated (in \$ mil.)	Total Funds Available (in \$ mil.)	Expend.
FTA - Section 3	\$544.8	\$346.9	\$373.2
FTA - Sect 3 Defer. Local	136.2	86.8	93.3
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	66.9	40.9	20.9
State Proposition 116	57.2	57.2	25.0
State TSM Match	11.4	10.5	10.5
State CTIP	141.2	0.0	0.0
City of Los Angeles	90.1	55.4	55.4
Proposition C	59.1	43.1	43.1
Benefit Assessment Dist	0.0	0.0	0.0
Prop C (Artwork)	2.5	0.6	0.3
Prop C (Non-Rev Connect)	0.3	0.0	0.0
TOTAL	\$1313.8	\$825.8	\$798.3

BUDGET/FORECAST STATUS (in \$ mil.)

Cost Element	Current Budget	Current Forecast
Construction	\$826.6	\$858.9
Professional Services	301.5	335.5
Real Estate	89.0	86.3
Utility Force Account	26.3	26.6
Special Programs	0.0	0.9
Contingency	70.0	29.7
Project Reserve	0.4	2.6
Project Revenue	0.0	0.0
TOTAL PROJECT	\$1313.8	\$1340.5

SCHEDULE STATUS

REVENUE OPERATIONS DATE: May 2000

Although the FTA FFGA stipulates project completion on December 12, 2000, the current forecast completion date is July 26, 2000. The project team is still targeting May 17, 2000 for Revenue Operations with future schedule mitigation to occur.

CURRENT ACTIVITIES / ISSUES

The May 1998 Master Schedule is currently behind the planned target date of May 17, 2000. This is largely due to the contractor at C0311 having slow production rates in concreting the tunnel. The forecast completion date is July 26, 2000. Additionally, the project is forecasting a \$27.0 m overrun to the current budget due to increased agency overhead costs.

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 29, 1998

Major Activities - This Period



B281 Hollywood/Vine Station and Crossover - Completed installing the terrazzo on Hollywood Boulevard. Continued air balancing the station. Plaza restoration, including landscaping, approached completion. Continued punchlist work. The Contractor has achieved 13 liquidated damage milestones to date. The Contract is 96% complete.

B271 Hollywood/Western Station - Continued constructing sidewalks and testing the cathodic protection system. Continued testing electrical and mechanical equipment in the station. Substantially completed installing interior station tile, ceiling panels and artwork. The Contractor has achieved 12 liquidated damage milestones to date. The Contract is 96% complete.

B252 Vermont/Santa Monica Station and Crossover - Completed final paving of Vermont Avenue. Continued installing metal panels for the canopy and the glass elevator enclosure at the north entrance plaza. Continued air balancing the station. Continued installing wall and ceiling panels in the station. The Contractor has achieved 14 liquidated damage milestones to date. The Contract is 99.5% complete.

B241 Vermont/Beverly Station - Continued plaza fine grading in preparation to installing irrigation system and landscaping. Testing of electrical and mechanical equipment is over 85% complete. Ceiling panel installation approached completion. Rockwork artwork installation is over 60% complete. The Contractor has achieved 9 liquidated damage milestones to date. The Contract is 98% complete.

B261 Vermont/Sunset Station - Continued restoring Vermont Avenue. Continued electrical installations in the entrance. Continued cleaning and repairing conduit and equipment impacted by flooding of the station. Continued concreting station appendages. Continued installing lighting, acoustical spray, and ceilings in the station. The Contractor has achieved 6 liquidated damage milestones to date. The Contract is 94% complete.

Operating

Wilshire/
Western

Wilshire/
Normandie

Wilshire/
Vermont

Wilshire/
Alvarado

SYSTEMWIDE ACTIVITIES

B610, Trackwork Installation, completed earth resistance test.

B620, Automatic Train Control (ATC) Installation, completed installing ATC wayside equipment and cables; continued terminating and testing ATC cables. Continued station operational tests with exception of the Vermont/Sunset Station.

B630, Traction Power Equipment, equipment commissioning was completed at Vermont/Santa Monica Station and Vermont/Beverly Station continued.

B631, Traction Power, continued installation of DC cables and supporting the equipment commissioning by B630.

B641, Radio, continued installation at the Vermont/Beverly and Hollywood/Western stations. Completed base station pretest.

B645, TRACS, completed remote terminal unit (RTU) wiring at the Vermont/Beverly, Vermont/Santa Monica, Hollywood/Western, and Hollywood/Vine stations. Started RTU Local Field Acceptance Test (LFAT).

B646, Fire and Emergency Management, completed fire and emergency management Local Field Acceptance Test (Baseline) at Vermont/Santa Monica Station. Start CN-61 and CN-68 engineering design.

B648B, Communication Installation, substantially completed installation at Vermont/Santa Monica, Hollywood/Vine, and Hollywood/Western stations. 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, started work at Vermont/Sunset Station, which is planned to start next month.

B740/B745, Air Handling/Ventilation, completed testing at Hollywood/Vine Station, continued testing at the Vermont/Beverly and Hollywood/Western stations. Continued installing equipment at the Vermont/Sunset Station.

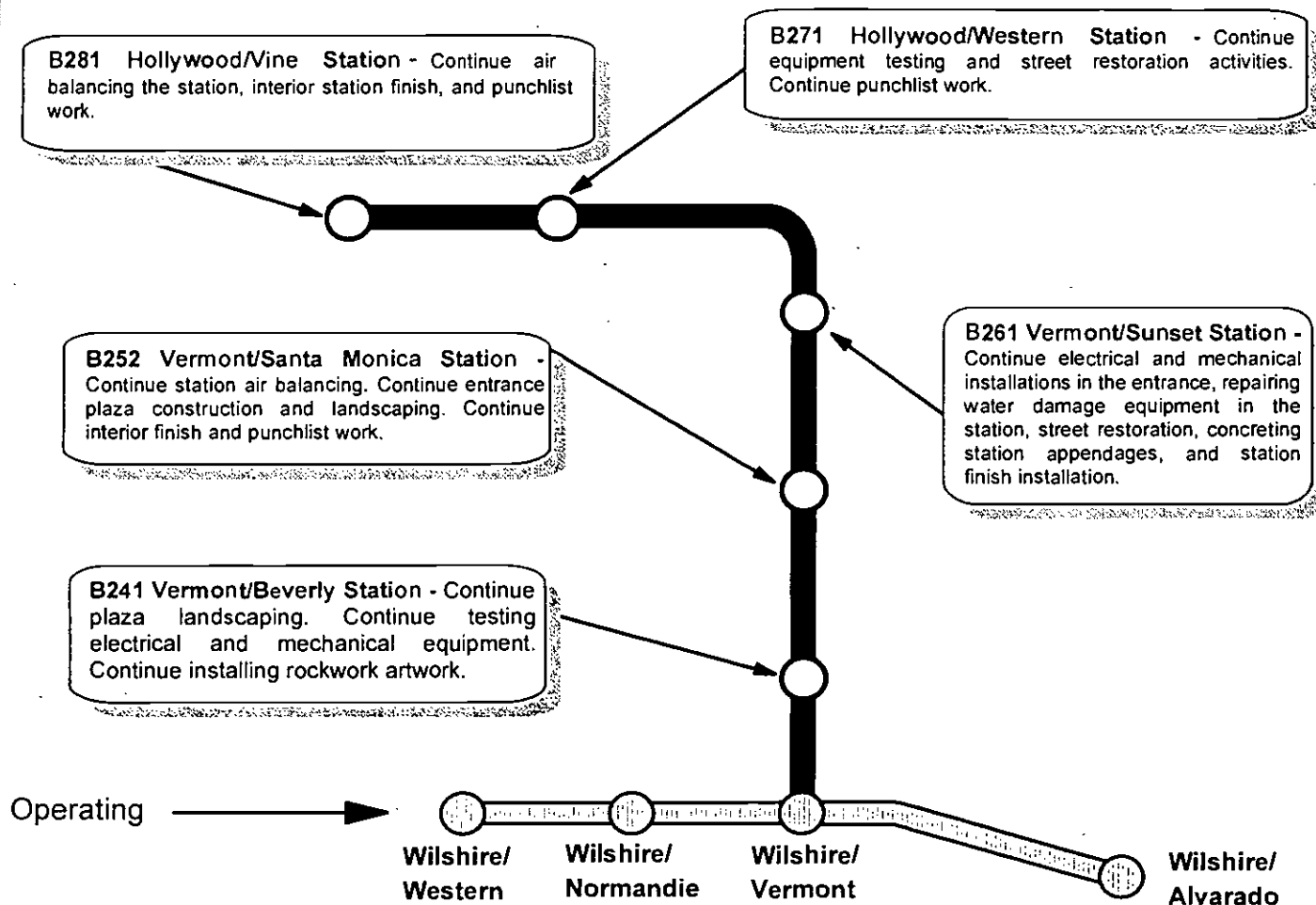
METRO RED LINE Segment 2

Monthly Project Status Report

Period ending—May 29, 1998



Major Activities - Next Period



SYSTEMWIDE ACTIVITIES

- B620, Automatic Train Control Installation, continue wayside and station train control room equipment termination and testing.
- B630/B631, Traction Power, continue installing contact rail connections and complete commissioning of the equipment for energization at the Vermont/Sunset Station.
- B641, Radio, continue installing cable at the Vermont/Beverly and Hollywood/Western stations. Install outside antenna for B271 base station.
- B645, TRACS, 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. Start the change work at the Hollywood/Vine and Vermont/Santa Monica stations.
- B710, Elevator/Escalator, continue installation at all stations. Complete delivery of all units to the Vermont/Sunset Station.
- B740/B745, Air Handling/Ventilation, substantially complete testing at the Hollywood/Vine and Vermont/Beverly stations; continue 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 29, 1998



FINANCIAL STATUS

Budget/Forecast Variance (in millions)
Original Scope

COST ELEMENT	CURRENT BUDGET	CURRENT FORECAST	BDGT/FCST VARIANCE	MAY CHANGE IN FORECAST
Construction	\$1,053.8	\$1,053.0	(\$0.8)	(\$0.3)
Professional Services	404.3	462.7	58.4	4.5
Real Estate	84.8	83.6	(1.2)	(5.4)
Utility/Force Account	32.4	30.4	(2.0)	(2.2)
Special Programs	2.5	2.5	0.0	0.0
Contingency	4.8	39.9	35.1	2.8
Project Revenue	0.0	(1.3)	(1.3)	0.0
Total Project	\$1,582.6	\$1,670.8	\$88.2	(\$0.6)

Additional Locally Funded Activities

COST ELEMENT	CURRENT BUDGET	CURRENT FORECAST	BDGT/FCST VARIANCE	MAY CHANGE IN FORECAST
Construction	\$47.4	\$50.9	\$3.5	\$2.9
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	0.0
Total Additional Locally Funded Activities	\$64.2	\$68.0	\$3.8	\$2.9

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

Budget/Forecast Variance Analysis
Original Scope

Expenditures to date for Original Scope are \$1,460.3 million or 87.4% of current total forecast.

Commitments to date for Original Scope are \$1,533.3 million or 91.8 % of current total forecast.

There was no change to the Current Project Budget.

There was no change to the Current Project Forecast.

Construction decreased \$0.3 million due to:

- B252 decreased \$0.10 million because of lower than previously estimated values for claims and miscellaneous changes. Settlement of Claim #50, North entrance Station Entrance Elevator Hoistway Glazing, and CN 167, Revise UPS System Conduits, and various misc. changes resulted in a forecast reduction.

Continued on ES-4

METRO RED LINE Segment 2
Monthly Project Status Report
Period ending—May 29, 1998



FINANCIAL STATUS

- B281T decreased \$0.2 million because of a forecast reduction for Grouting and General Requirements, as well as a forecast reduction of Allocated Contingency.
- The above forecast reductions were transferred to the Unallocated Contingency.

Professional Services increased \$4.5 million due to:

- Contracts L0010, L0014, L0015 & L0020 increased the forecast by \$4.0 million due to a contract transfer from Real Estate Element R to Professional Services Element S, Legal Support.
- CM001 Configuration Management LKG increased \$0.2 million for a forecast re-evaluation.
- E00090 Transit Vehicle Consultant increased \$0.1 for a forecast re-evaluation.
- MQ001 Auditing Services increased \$0.8 million for a forecast re-evaluation.
- MY001 Project Administration decreased \$0.6 million for a forecast re-evaluation.

Real Estate decreased \$5.4 million due to:

- Contracts L0014, L0015, L0019 & L0020 decreased the forecast by \$4.0 million due to a contract transfer from Real Estate Element R to professional Services S, Legal Support.
- Contract AR001 Right-Of-Way Relocation decreased \$1.4 million for a forecast re-evaluation.

Utility Force Account decreased \$2.2 million due to:

- F0102 DWP Power Relocation decreased \$2.0 million for a forecast re-evaluation.
- F0208 County of Los Angeles decreased \$0.2 million for a forecast re-evaluation.

Contingency increased \$2.8 million reflecting the forecast changes above and

- CC999 Reserved Contingency – Construction increased \$2.5 million
- CS999 Professional Service contingency increased \$0.3 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 \$44.8 million or 66.0% of current total forecast.

Commitments to date for Additionally Locally Funded Activities are \$54.3 million or 79.8 of current total forecast.

There was an increase to the project forecast cost of 2.9 million due to:

- B263 Kaiser Entrance forecast was increased by \$3.4 million for a forecast re-evaluation.
- MU001 Demo at Hospital was decreased by \$0.5 million for a forecast re-evaluation.

METRO RED LINE Segment 2
Monthly Project Status Report
Period ending—May 29, 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:	79,600,000
	Variance:	24,588,000
	Percent Variance:	45.8

The forecast decreased this month by \$582,000 to \$79,600,000, reflecting the actual cost to date, the Fiscal Year 1999 budget preliminary budget request, and the revised plan for staffing through the end of the project. The projected budget overrun is now \$24.56 million or 44.7% 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 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 29, 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 \$	(E/B) %	(F) BILLED TO FUNDING SOURCE \$	(F/B) %
						(6)			
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	\$474.327 (7)	\$494.133	98%	\$435.527	86%	\$435.527	86%
CITY OF L.A.	\$96.000	\$96.000	\$94.000 (8)	\$96.000	100%	\$93.553	97%	\$93.553	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	\$53.685	\$65.618	53%	\$53.685	44%	\$53.685	44%
TOTAL	\$1,446.432	\$1,575.551	\$1,499.541	\$1,533.280	97%	\$1,460.294	93%	\$1,460.294	93%
OTHER LOCALLY FUNDED ACTIVITIES (4):									
PROP C (TRANSIT ENHANCEMENTS)	\$0.000	\$62.702	\$47.993	\$54.298	87%	\$44.836	72%	\$44.836	72%
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%	\$44.836	69%	\$44.836	69%
(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 April 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 29, 1998



STATUS OF FUNDS BY SOURCE

Funds by Source Analysis

Status of Funds Anticipated

ISTEA RSTP: MTA submitted in December 1997 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 April 30, 1998 is \$24,730,970.

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 29, 1998



SCHEDULE STATUS

Schedule

		Change from Last Month
Current ROD	Dec. 19, 1998	0
Critical Path	-201 Days	-8
Float		
Const. Progress	95.5%	0.2

Current Critical Path Analysis

Primary Critical Path [-201 days]

The 201 calendar days of negative float forecast represent a delay of 8 days to ROD from last period. This path was delayed last month by B261, Vermont/Sunset Station electrical and mechanical work slippage, resulting from slower-than-planned progress by the Contractor. Tutor-Saliba is currently working with their electrical and mechanical subcontractors to prepare a consolidated schedule next month. Parts of the electrical/mechanical activities will have to be selectively accelerated to recover the lost time this period and to support the proposed May 29, 1999 ROD. The subsequent activities on this path are the System Integration Testing, Fire/Life/Safe demonstration, and pre-revenue operations. The current ROD forecast is July 8, 1999. (For more detail of issues and schedule recovery plans see the Management Issues section.)

Secondary Critical Path [-199 days]

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 and Hollywood/Vine stations by B646 is forecast to be completed by July 14, 1998 and August 17, 1998 respectively. (For more detail of issues and schedule recovery plans, see the Management Issues section.)

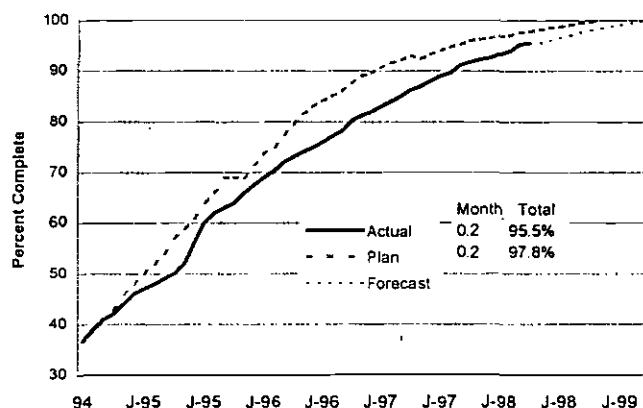
Tertiary Critical Path [-192 days]

This path is the B645, Transit Automatic Control System, impacted by the change process. 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.

Quaternary Critical Path [-178 days]

This path is the B620, Automatic Train Control, wayside termination and operational (OP) testing. The dynamic testing will continue through the installation of the wayside equipment OP testing, systemwide integration testing, and pre-revenue operations.

Construction Progress

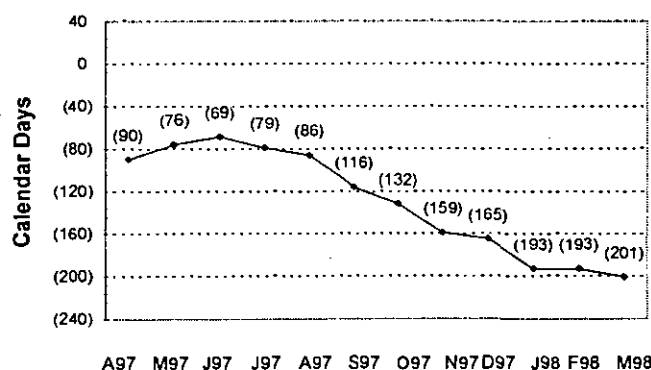


Construction Progress Analysis

The project physical progress measurement (PPM) plan and actual increased at the same rate of 0.2% this period. However, the overall project progress remains 2.3% behind the planned progress.

The resolution of change processing issues this month may result in better-than-planned progress in future months. These changes significantly affect work for the following contractors: B261, Vermont/Sunset Station; B646, Fire and Emergency Management System; and B648B, Communication Installation.

Float Trend



METRO RED LINE Segment 2
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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 (To date/average)	18.3	-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	-0.0

(Based on April 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 completing 100,000 work hours each month and has produced over 12,700,000 work hours to date without a single fatal injury.

MANAGEMENT ISSUES

NEW

Item (Initiated May 1998)

TRACS (B645) Changes

Concern/Impact

Delay on approval of the revised fair cost estimates for Change Notices 38, 39, 40, 41, and 44 has impacted this contract work which is the tertiary critical path, only a few days away from the most critical path. The critical Change Notices will impact the TRACS equipment Factory Acceptance Test (FAT), Local Field Acceptance Test (LFAT), and the Phase II System Integration Test.

Status/Action

A mitigation plan has been proposed and will be discussed at the negotiation meeting on June 9, 1998. WACNs are scheduled to be issued on June 11, 1998.

METRO RED LINE Segment 2
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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 September for revenue operations.

Status/Action

On May 21, 1998, the MTA Board of Directors directed staff to proceed with negotiating a Change Order with Tutor-Saliba Perini, the B261—Vermont/Sunset Station-contractor, for the Kaiser Entrance. As of the status date, staff was continuing with negotiations. The planned Notice-to-Proceed is planned for September 1, 1998. A limited Notice-to-Proceed may be issued earlier to allow Contractor to begin procurement of elevator equipment.

The Project Office will evaluate the current delay to the Notice-to-Proceed and its impact to revenue operations.

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.

METRO RED LINE Segment 2

Monthly Project Status Report

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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 overburden 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. In March, 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.

The WACN was resurrected after a four-month trial of the Limited Notice-to-Proceed (LNTP), which was objected to by all parties other than the Office of Procurement. With the WACN management tool available again, mitigation efforts for critical contracts, such as B261, Vermont/Sunset Station and B646, Fire and Emergency Management System, can be implemented. The management objective is the recovery of the delayed revenue operations date (ROD) back to the proposed May 29, 1998 ROD.

METRO RED LINE Segment 2
Monthly Project Status Report
Period ending—May 29, 1998



ONGOING

Item (Initiated January 1998)

Fire and Emergency Management System (B646) Contract Issues

Concern/Impact

Contract issues for this contract had reached an impasse. The critical project activities, change notice work by B646 at the Vermont/Santa Monica Station, Local Field Acceptance Test (LFAT), and the start of phase one system integrating testing, was delayed based on the delays in issuance of changes to Syseca.

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 Change Notices, which are the issues of contention. The changes for Vermont/Santa Monica (V/SM) and Hollywood/Vine (H/V) Stations (CN 61 and several other small changes) were negotiated and issued to the Contractor.

As of the May status date, Contract B646 has started engineering design work and will submit final design for the V/SM and H/V stations for EMC's two-day review. The Fire and Emergency Management (F&EM) LFAT retest at V/SM station is scheduled to start on July 6. Based on the Contractor's updated schedule and agreement at negotiation meetings, the H/V LFAT was mitigated by reducing the duration to four weeks, which includes five days of post installation inspection (PII) and five days resolving the PII issues. These issues offset the slippage of three weeks in start of change work and only showed a delay of 6 calendar days to start of systems integration.

METRO RED LINE Segment 2

Monthly Project Status Report

Period ending—May 29, 1998



ONGOING

Item (Initiated December 1997).

Vermont/Sunset Station (B261)—Delays to station electrical and mechanical work, including water damage to the electrical equipment.

Concern/Impact

Delays to station electrical/mechanical installation and, in turn, station functional testing, which delay integration testing of the overall project, has placed this work on the primary critical path to the Segment 2 Revenue Operations Date. These impacts are due to:

- 1) Delays to Vermont/Sunset Station entrance construction, caused by Contractor's slow progress, which impacted electrical/mechanical equipment installation and testing in the north end of the station.
- 2) Damage to electrical equipment, primarily at the south end of the station, caused by flooding of the station following heavy rainfalls in November 1997.

Status/Action

The Project Office is coordinating with MTA 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 on the water-damaged equipment. Repair work began in March and is currently ongoing.

Based on a cost/benefit study completed in April, which concluded that significant cost savings would result if the water damage repair were accelerated, the Project Office directed the CM to negotiate and implement the acceleration.

The Contractor's manpower dedicated to the water damage repair was increased significantly in May from an average of approximately three electricians per day to fourteen electricians per day. The Contractor will also begin working extra hours, including Saturdays in early June, to further accelerate the work. These recovery plans constitute very significant positive steps towards mitigating the water damage delays.

Another issue is the timely completion of electrical and mechanical contract work, especially in the entrance (north) area of the station. Progress is being monitored closely, and selective acceleration of mechanical/electrical installation and testing activities will be implemented starting in June. The CM is performing a cost/benefit analysis to demonstrate the benefit of selective acceleration verses no acceleration and is developing a path forward to implement the mitigation actions. The acceleration will also be based on a detailed electrical/mechanical completion schedule that the contractor has committed to submit by June 19. In addition to the acceleration, critical station functional testing activities will be performed in a desired sequence to support systems integration efforts.

The CM projects these recovery plans may mitigate project delays. However, the highest risk factor is the Contractor's performance in mechanical installation and meeting the planned five-month duration for station functional testing.

METRO RED LINE Segment 2

Monthly Project Status Report

Period ending—May 29, 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 and Contractor's slow progress 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 3, which includes mitigating the forecast ROD back to a proposed ROD of May 29, 1999.

In June 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. An analysis from the CM is expected in early June, regarding mitigation of the delays at the Vermont/Sunset Station.

METRO RED LINE Segment 2
Monthly Project Status Report
Period ending—May 29, 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, which included a recognition for potential claims, again in March 1998, and finally this month to arrive at the current forecast of 1.739 billion. 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 Board directed the MTA Construction staff to re-evaluate aspects of this proposal and resubmit it. The MTA Board Construction Committee was again briefed in March and April 1998. The present outlook is for another presentation in June 1998, at which time the Project Office will recommend to the MTA Board of Directors that it revise the budget to \$1.739 billion.

RESOLVED

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 delays in the completion of the areas surrounding elevators/escalators at the stations.

Status/Action

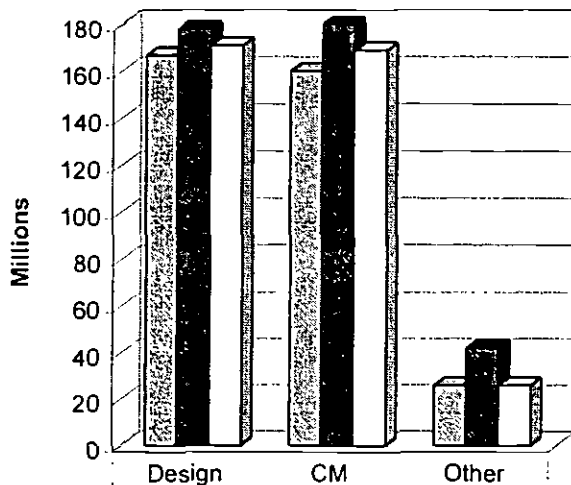
The Contractor is continuing to improve field progress. Previous lost time has not been recovered and the Contractor's interfacing work is impacting the station's completion milestones. As a corrective action, the interfacing work will be transferred from facilities to the B290 contractor to avoid delays to the station contractor completion milestone. All equipment is scheduled to be delivered by June 12, 1998. The Contractor's remaining work is forecast to be completed in advance of critical schedule need.

METRO RED LINE Segment 2
Monthly Project Status Report
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COST STATUS

Consultant Cost Status



□ Authorization	167	160	26
■ Forecast	178	180	42
□ Budget	171	169	26

Professional Services Cost Analysis

There was no change to the Construction Management and Design Services forecast. A transfer affected other professional services.

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 unchanged in May. 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 \$5 million in May due to a transfer of legal contracts from Real Estate to Other Professional Services forecast. The increase in Professional Services is offset by the equal amount in Real Estate.

**METRO RED LINE SEGMENT 3
NORTH HOLLYWOOD EXTENSION
EXECUTIVE SUMMARY**

METRO RED LINE - Segment 3 North Hollywood

Monthly Project Status Report

Period Ending - May 29, 1998



MAJOR ACTIVITIES - THIS PERIOD



NORTH HOLLYWOOD STATION

CONTRACT C0351 - KAJIMA/RAY WILSON North Hollywood Station

- Met Milestone 11 access date of May 27, 1998
- Met Milestone 12 access date of May 12, 1998
- Met Milestone 13 access date of May 12, 1998
- Completed roof for the entrance
- Continued wire pulling to electrical equipment
- Continued backfill of tailtrack
- Continued utility restoration

CONTRACT C0331 - OBAYASHI CORPORATION

- North Hollywood Tunnel
- Continued punch list and NCR repair work for Milestones 2A and 3
- Continued crosspassage electrical installation south of MVS
- Removed electrical wales and struts
- Commenced MVS electric level exterior wall work
- Continued concurrent MVS side structure concrete work to mitigate MVS concrete shell delays
- HDPE installation complete in MVS electrical level north and south exterior walls
- Completed MVS east air exhaust chimney concrete
- Completed MVS track level electric blackout
- Completed MVS track to fan level stairs and walls
- Completed MVS side structure emergency exit landings, arch, walls and first/second stair sections

CONTRACT C0321 - TUTOR/SALIBA-PERINI Universal City Station

- Placed concrete in station roof slab lifts 14-15 and entrance roof slab
- Placed concrete in service walkways lifts 13-15 AR side
- Completed the Bluffs Drive utility, paving and sidewalk work
- Contract B740 (Ventilation Equipment) given full north access to station
- Continued with electrical wire pulls, terminations, cable tray installation and north equipment room testing
- Installed HDPE liner and water proofing sealant on top of roof slab lifts 12-14
- Continued HVAC ducting and installation of mechanical piping, pumps, and valves
- Drilled last elevator casing #3 and completed escalator slope #6 shotcrete
- Completed aluminum capital tubing in high-bay, continued porcelain panels installation
- Completed CMU walls and acoustic plaster work in Phase 2

UNIVERSAL CITY STATION

CONTRACT C1610 - HERZOG CONTRACTING Trackwork Installation

- Received access to C0351 Station, tail and pocket track
- Continued laying temporary track in C0351 Station, tail and pocket track
- Completed production welding of rail
- Completed C0351 crossover plinth
- Completed 65% of C0351 special and standard trackwork
- Poured C0351 Station AR tunnel plinth
- Poured 1,800 tf of 10,511 tf (17%) of plinth in AR C0331 tunnel
- Poured tailtrack and #10 right-hand turn-out plinth
- Poured 600 tf of plinth in AL C0331 Tunnel

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

- Continued AR tunnel arch concrete; completed 32.2% to date
- Commenced AL tunnel arch concrete; completed 17.6% to date
- Excavated utilities trenches, laid conduits and installed HDPE to 8' high in track level rooms
- Completed contact grouting between Hollywood/Highland Station and La Brea Shaft
- Excavated Crosspassage 48 and almost completed excavation on Crosspassage 47
- Commenced contact grouting in AL tunnel; approximately 800' grouted to date
- Commenced walkway concrete in AR tunnel; approximately 400' poured to date
- Cleaned-up AR tunnel from track level rooms toward La Brea Shaft; completed 37% to date

CONTRACT C0301 - TUTOR/SALIBA-PERINI

- Hollywood/Highland Station and Tunnels
- Completed installation of upper ancillary deck at the main entrance
- 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
- Completed shoring of station roof for lifts 1-3
- Began backfill operation of station box

LA BREA
ACCESS SHAFTS

HOLLYWOOD / HIGHLAND STATION

to HOLLYWOOD / VINE
STATION

SYSTEMWIDE DESIGN ACTIVITIES

- B630 (Traction Power Substation Equipment) issued DCN for crossover deletion.
- B645 (Transit Automatic Controls and SCADA) finalized DCN package; revised contract documents to incorporate changes for deletion of crossovers and C0311 (tunnels) track level room modifications.
- B646 (Fire and Emergency Management) participated in MTA negotiation strategy meeting and contractor negotiations for CN-66 (Technical Information Update).
- H0123 (Variable Message Signs) issued pre-final design submittal for review.
- H0648 (Communications Installation) issued Notice to Proceed on May 14.
- E0122 (INCA) NTP given on May 4 for design of Contract C3326.

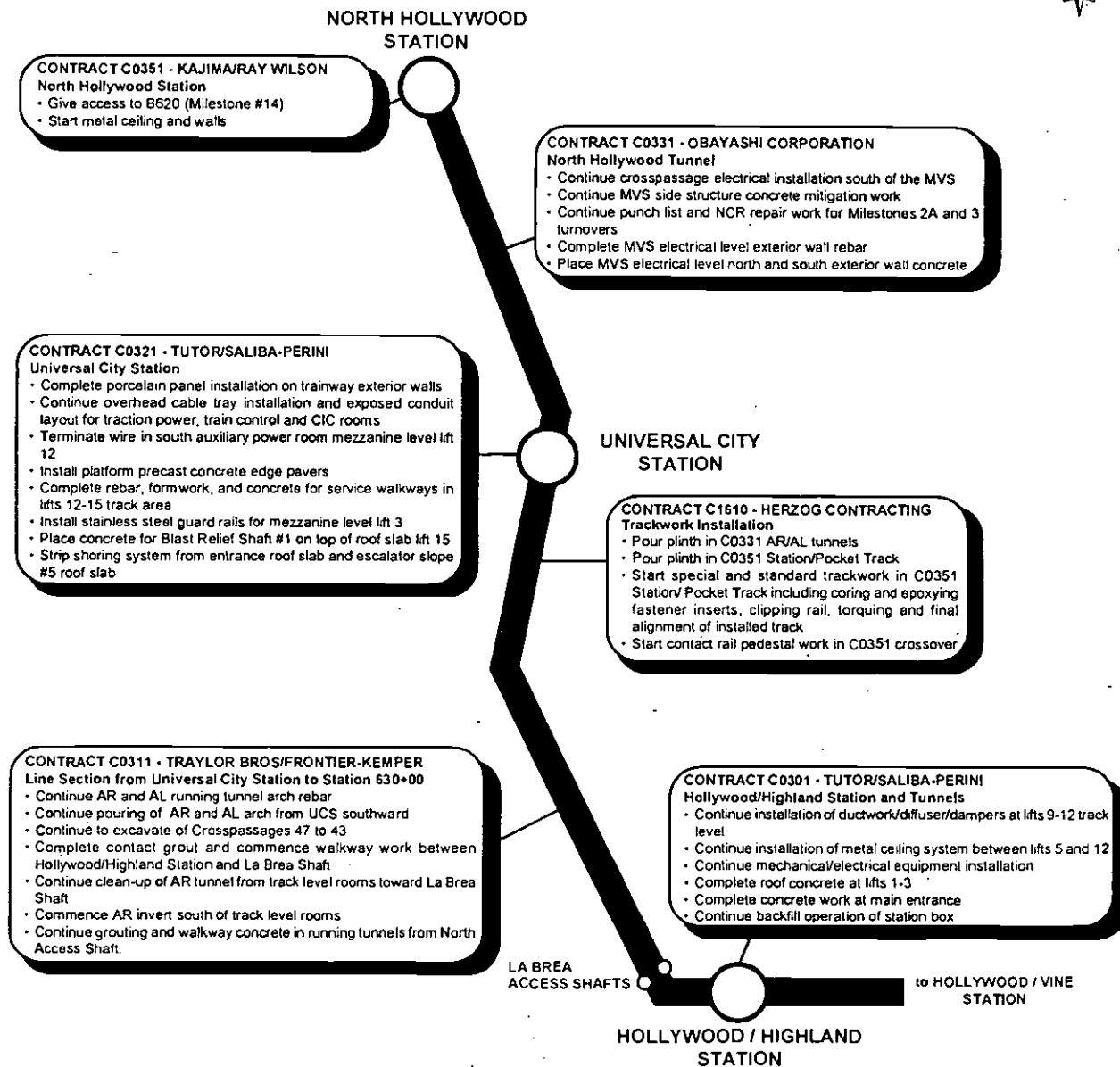
METRO RED LINE - Segment 3 North Hollywood

Monthly Project Status Report

Period Ending - May 29, 1998



MAJOR ACTIVITIES - NEXT PERIOD



SYSTEMWIDE DESIGN ACTIVITIES

B645 (Transit Automatic Controls and SCADA) provide technical support of contractor proposal review and negotiations.
B646 (Fire and Emergency Management) continue to participate in CN-66 contractor negotiations.
H0123 (Variable Message Signs) hold pre-final design review meeting for contract rebid.

METRO RED LINE - Segment 3 North Hollywood
Monthly Project Status Report
Period Ending - May 29, 1998



FINANCIAL STATUS

Budget / Forecast Variance (in millions)
Original Scope Activities

COST ELEMENT	CURRENT BUDGET	CURRENT FORECAST	BDGT/FCST VARIANCE	MAY CHANGE IN FORECAST
CONSTRUCTION	\$824.7	\$858.7	\$34.0	(\$1.8)
PROFESSIONAL SERVICES	300.8	306.9	6.1	0.0
REAL ESTATE	89.0	86.3	(2.7)	(1.0)
UTILITY/AGENCY FORCE ACCOUNTS	26.3	26.6	0.3	0.0
SPECIAL PROGRAMS	0.0	0.0	0.0	0.0
PROJECT CONTINGENCY	69.6	29.7	(39.9)	0.3
PROJECT RESERVE	0.4	2.6	2.2	2.5
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 were a number of forecast changes within the project elements which were offset by project contingency and project reserve as follows:

- Contract H0648 (Communications Installation) - forecast decreased \$1.5 million based on the approved recommendation to reduce the contract budget of this newly awarded contract. Project reserve increased by this amount.
- Contract C0311 (Tunnels: UC Stn to 630+00) - forecast decreased \$0.3 million due to the reallocation of scope reductions previously retained in contract contingency. Project reserve increased by this amount.
- Real Estate - forecast decreased \$1.0 million primarily due to recognition of reevaluation of specific real estate costs by MTA Real Estate Department.
- Project Contingency - forecast increased \$0.3 million as a result of \$1.0 million decrease in real estate and transfer of \$0.7 million of previously identified scope reductions into project reserve.
- Project Reserve - forecast increased \$2.5 million as a result of forecast decreases to Contracts H0648, C0311 and Project Contingency.

Additional Locally Funded Activities (ALFA)

Additional 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, primarily due to projected staffing increases for AB 1869 and other administrative requirements directed by the MTA Board. Additionally, the currently reported MTA overhead and fringe benefit rates of 199% and 50% respectively have contributed to this projected increase in ALFA costs.

Cumulative Contingency Status

The May 1998 planned project contingency is \$46.7 million; the actual project contingency is \$29.7 million. The variance of \$17.0 million between the planned and the actual contingency is due to allocations to several construction and professional services contracts.

Total Original Scope and ALFA Expenditures through April 1998: \$798.3 million.
 Total Original Scope and ALFA Commitments through May 1998: \$1,047.0 million.

METRO RED LINE - Segment 3 North Hollywood
Monthly Project Status Report
Period Ending - May 29, 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: \$81,935,382
 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. A budget forecast reconciliation is in process which will align the estimated final costs once hazardous material handling is significantly complete.

Line 07 - Systemwide Equipment

Current Budget: \$46,051,000
 Forecast: \$53,432,673
 Variance: \$7,381,673
 %Variance: 16.0%

Mitigation: The forecast variance of \$7.4 million 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: \$33,559,533
 Variance: \$8,033,533
 %Variance: 31.5%

Mitigation: Contract C1610, Trackwork Installation, is contributing \$7.9 million of the total variance of \$8.0 million. 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 29, 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 \$ %	(E) EXPENDITURES \$ %	(F) BILLED TO FUNDING SOURCE \$ %
ORIGINAL SCOPE:						
FTA-SECTION 3	\$681.037	\$544.830	\$348.998	\$544.830 100%	\$373.195 68%	\$348.998 64%
FTA-SECTION 3 DEFERRED LOCAL SHARE		\$136.207	\$86.749	\$136.207 100%	\$93.299 68%	\$86.749 64%
FED ISTE A STP (STATE)	\$0.000	\$57.800 (5)	\$57.800	\$50.000 87%	\$50.000 87%	\$50.000 87%
FED ISTE A STP/CMAO (REGIONAL)	\$25.000	\$70.540	\$53.037	\$53.037 75%	\$53.037 75%	\$53.037 75%
FED ISTE A RSTP DEFERRED LOCAL SHARE		\$9.139	\$8.871	\$8.871 75%	\$8.871 75%	\$8.871 75%
SB 1995 TRUST FUND	\$53.000	\$66.686	\$66.686 (2)	\$66.686 100%	\$66.686 100%	\$66.686 100%
STATE SHA/ARTICLE XIX	\$115.000	\$66.855	\$40.855	\$37.167 56%	\$20.855 31%	\$20.855 31%
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	\$141.145 (5)	\$0.000	\$15.665 11%	\$0.000 0%	\$0.000 0%
CITY OF LA	\$101.500	\$90.046 (3)	\$55.446	\$55.446 62%	\$55.446 62%	\$55.446 62%
PROP C	\$318.185	\$59.062	\$43.107	\$43.107 73%	\$43.107 73%	\$43.107 73%
BENEFIT ASSESS. DISTRICT	\$17.100	\$0.000 (6)	\$0	\$0 0%	\$0 0%	\$0 0%
TOTAL	\$1,310.822	\$1,310.822	\$825.238 (4)	\$1,044.553 80%	\$798.033 61%	\$765.286 58%
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 (\$65.952M) are being replaced by additional STP funds (\$7.8M transfer from LA Rail Car project), additional State SHA funds (\$4.9M from Del Norte Station project and \$21.1M from LA Rail Car 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 APRIL 1998.



METRO RED LINE - Segment 3 North Hollywood
Monthly Project Status Report
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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	\$629.035	56%	\$434.379	38%	\$408.182	36%
FTA-SECTION 3 DEFERRED LOCAL SHARE	\$98.578	\$283.298	\$102.045	\$157.258	56%	\$108.595	38%	\$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	\$66.686	\$66.686	\$66.686	100%	\$66.686	100%	\$66.686	100%
STATE SHA/ARTICLE XIX	\$165.000	\$106.855	\$40.855	\$37.167	35%	\$20.855	20%	\$20.855	20%
STATE PROP 116	\$87.300	\$57.152	\$57.152	\$25.000	44%	\$25.000	44%	\$25.000	44%
STATE FLEXIBLE CONGESTION RELIEF	\$26.000	\$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	\$141.145	\$0.000	\$15.665	11%	\$0.000	0%	\$0.000	0%
CITY OF LA	\$136.244	\$163.490	\$55.446	\$55.446	34%	\$55.446	34%	\$55.446	34%
PROP C	\$677.318	\$792.131	\$105.646	\$119.884	15%	\$104.075	13%	\$104.075	13%
BENEF ASSESS. DISTRICT	\$17.100	\$0.000	\$0.000	\$0.000	0%	\$0.000	0%	\$0.000	0%
TOTAL	\$2,781.086	\$3,042.752	\$1,010.675	\$1,228.004	40%	\$936.899	31%	\$904.152	30%
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

NOTE: EXPENDITURES ARE CUMULATIVE THROUGH APRIL 1998.

METRO RED LINE - Segment 3 North Hollywood
Monthly Project Status Report
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FINANCIAL STATUS

Metro Red Line Segment 3 Project
Funds by Source Analysis

STATUS OF FUNDS ANTICIPATED

FTA SECTION 3	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 for the East Side Project. 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 for the North Hollywood 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 has been 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 29, 1998

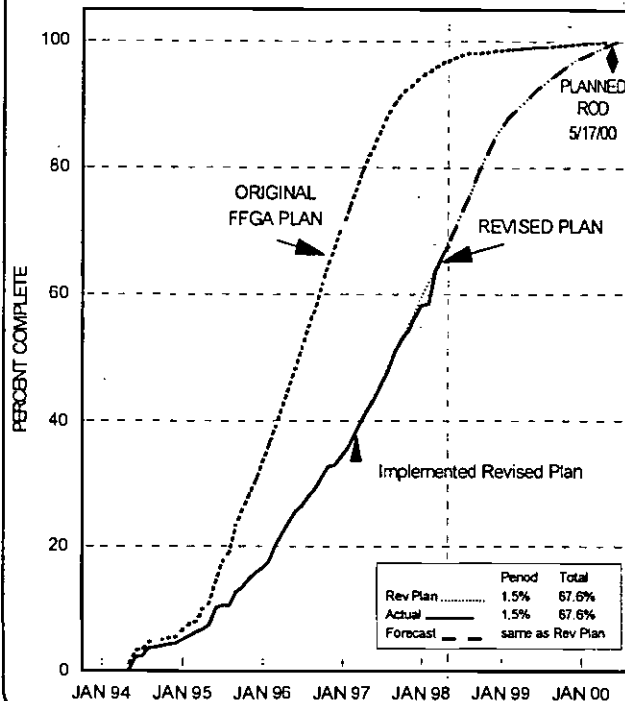


SCHEDULE STATUS

Schedule

		Change from Last Month
Project Target	May 17, 2000	
Forecast ROD	July 26, 2000	-33 w.d.
Design Progress	94.2%	+0.1%
Construction Progress	67.6%	+1.5%
Critical Path Float	-48 w.d.	-33 w.d.

Construction Progress



Current Critical Path Analysis

The May 1998 Project Master Schedule shows the project behind schedule. Forecast completion date slipped from June 8 to July 26, 2000 versus May 17, 2000 target date. The slippage is due to a revision on Contract C0311 (Tunnel Line Section under Santa Monica Mountains) track turnover forecast dates based on slower than anticipated arch concrete rates.

The project now has two separate critical paths. The primary critical path with 48 workdays of negative float runs through C0311, C1610, B620 and Integration/Testing/Pre-Revenue Operations.

Mitigation options for Contract C0311 currently under review include providing early access to trackwork south of La Brea. Changes to both Contracts C0311 and C1610 (Trackwork Installation) are currently being prepared. Additional mitigation includes activity resequencing of Contract B620 (Automatic Train Control).

The secondary critical path with 17 workdays of negative float runs through B646, H0648 (Communication Installation) and Integration/Testing/Pre-Revenue Operations. Delay in the negotiation of Contract B646 (Fire and Emergency Management) Contract Technical Information Update is also causing program slippage. Mitigation options for Contract B646, include splitting the delivery of the hardware and software, and the acceleration of the hardware/software design.

Focus on the project is shifting from excavation and concrete to more complex mechanical, electrical and systems work. All access dates meeting actual system needs from facilities have been met to date and are on schedule for the next three months.

Construction Progress Analysis

The overall construction progress through May is 67.6% complete.

Contract C0301 (Hollywood/Highland Station) contractor continued to accelerate work to mitigate its own delays on west end of station. Change Order #138 was issued revising all project milestones. Station concrete to be completed in June. No impact to ROD.

Contract C0311 (North Hollywood Tunnel) arch concrete work is 32.2% and 17.6% complete for AR and AL tunnels, respectively. Since the start of AL arch work, concrete placement rate is slower than anticipated. Schedule was revised this period based on current arch rates and the new forecasted track turnover dates slipped about six weeks. Redesign of track level room mechanical and electrical work and delay of the Crosspassages 48-43 excavation could further delay trackwork access. A study to analyze different trackwork options and minimize impact to ROD is currently under review.

Contract C0321 (Universal City Station) is on schedule. Access to the crossover area by Contract C1610 (Trackwork Installation) was accelerated by one month to improve the overall trackwork schedule. No impact to ROD.

Contract C0331 (North Hollywood Tunnel) contractor continues working 6-day work week, multiple shifts. Remaining tunnel work for Milestones 2A and 3 completion is punch list and NCR repair. Mid-vent shaft turnover to B620 (Automatic Train Control) is on schedule. No impact to ROD.

Contract C0351 (North Hollywood Station) contractor continues working a three-shift operation. Access Milestones 11, 12 and 13 were met on schedule. The contractor is focusing on meeting upcoming milestones. No impact to ROD.

Contract C1610 (Trackwork Installation) contractor continues to work 12-hour days and a 6-day week to mitigate lost time. A night shift was added this month to increase productivity. The time to pour plinths for Contract C0331 tunnels needs to be shortened to mitigate schedule delays. Production welding completed on May 29. From North Hollywood to Universal City Stations, temporary track was installed in the AR and running rails were pulled in the AL tunnels. No impact to ROD.

METRO RED LINE - Segment 3 North Hollywood
Monthly Project Status Report
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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	16.6	+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	2.0	+0.1

(Based on April 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 240,000 work hours per month. To date, the project has completed 6,000,000 work hours.

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

NEW

Item (Date initiated: May 1998)
Project ROD Slippage

Concern/Impact

The projection for achieving ROD in May 2000 has now been impacted by the slow production rates experienced with the placement of concrete arch within Contract C0311 tunnels. This delay has the potential to impact follow-on trackwork installation (Contract C1610), automatic train control (Contract B620), and systems integration testing and start-up. The projection for ROD is now forecasted to be July 26, 2000.

Status/Action

The MTA is actively pursuing schedule mitigation alternatives to eliminate potential delay impacts and restore the projected ROD to the target completion of May 17, 2000. For tunneling Contract C0311, efforts include time and motion studies to improve the contractor's current production rates and to resequence work activities and contract milestones so that the follow-on contracts can gain access to certain areas within the C0311 tunnels earlier than required contractually. Trackwork contractor could then access certain areas of the C0311 tunnels earlier and reduce the risk of delaying the start of systems contractors. The resequencing of systems contractor's access dates will need to be reflected in a contract modification. The MTA will request a cost and schedule proposal from the contractor. Earlier access for systems contractors and potentially reducing the overall contract duration by having equipment installed and dynamic testing performed simultaneously and not sequentially as currently planned is expected to reduce the overall duration of the critical path and reduce the risk to ROD of not completing by May 17, 2000. MTA management staff is reviewing internal administrative processes relating to secondary critical path issues that could require schedule mitigation.

ONGOING

Item (Date initiated: March 1998)
Project Cost Forecast

Concern/Impact

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 MTA Project management team has produced a draft Board report to address this potential overrun. Additionally, the project team is actively minimizing these potential cost impacts. The MTA staff is reevaluating the overhead and staffing projections to assist in the mitigation of the 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.

METRO RED LINE - Segment 3 North Hollywood
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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 and MTA completed the audit and started the negotiations. 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 (Preliminary and Final Design Review) from six months to four months; issue a WACN for the procurement of hardware after Preliminary Design Review; and splitting of the hardware and software deliveries to H0648 (Communications Installation) to minimize the cost and schedule impact.

Other possible acceleration and mitigation that could be implemented, if necessary, are H0648 installation acceleration and system integration by adding more crews and working extra shifts and extended hours.

RESOLVED

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 \$50,000 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, MTA Contract Administrators and the MTA Director of Contracts. All changes above \$50,000 will have to go to Executive Management for approval. The WACN process has been reinstated, replacing LNTPs, which will help to expedite all changes.

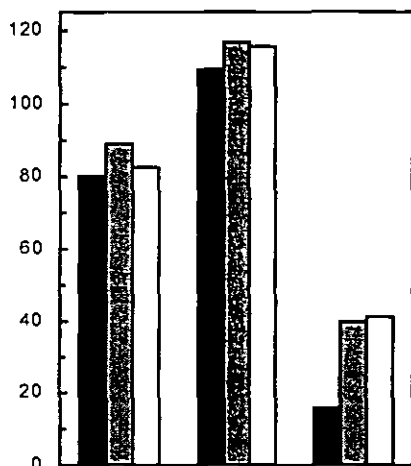
METRO RED LINE - Segment 3 North Hollywood
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COST STATUS

Professional Services Contracts - North Hollywood
Consultant Cost Status

Dollar in Millions



	DESIGN	CM	OTHER
Current Authorization	80	109	16
Forecast	89	117	40
Budget	83	116	41

Professional Services Cost Analysis

The authorization for the Design Professional Services and Construction Management increased this period by \$2.1 million and \$1.9 million, respectively. This is largely due to the processing of CWO amendments and a number of change orders.

The Design and CM budgets are currently understated by \$6 million and \$1 million, respectively. However, there have been Board authorizations to increase the respective budgets and a draft Board report for a total Project Budget reconciliation is in process.

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.