

2550 Rail Vehicle Program

June 2005



2550 RAIL VEHICLE PROGRAM

QUARTERLY PROJECT STATUS REPORT

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

JUNE 2005

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PROJECT OVERVIEW

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

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

Project accomplishments through the period ending June 2005 included:

1. The Metro Integrated Project Team (IPT) performed on-site review of the 2550 LRV 701 car structure fabrication and assembly at the AnsaldoBreda, Pistoia, Italy Plant.
2. Members of the IPT, AnsaldoBreda and the subcontractors continued to conduct First Article Inspections at various sites in the U.S. and Europe.
3. The IPT conducted weekly conference calls with project staff in Los Angeles, New York, Pistoia, and Naples, Italy. The teleconferences discussed the status of Contract submittals, reviews and approvals, specific design issues and planned activities for the week.
4. Members of the IPT and AnsaldoBreda management met in Italy and other locations and discussed final design, fabrication, first article inspection, and systems integration, leading to mitigating AnsaldoBreda's alleged schedule delay and accomplishing the on-time delivery of the first two LRVs to LACMTA in June 2005.
5. AnsaldoBreda completed delivery of the LRV scale model to Los Angeles during April 2005.
6. AnsaldoBreda completed the shipment and arrival of the first LRV No. 701 in Los Angeles in June 2005 in preparation for Proof of Design and Acceptance Testing.

MANAGEMENT ISSUES

Concern No. 1: The compatibility of the carborne ATP and TWC, designed and built by AnsaldoBreda subcontractor, Union Switch and Signal (US&S), with the wayside equipment of LACMTA's three operating light rail lines is a requirement of the Contract. This is a reliability area, which the IPT has selected for increased focus.

Status/Action The IPT continues to coordinate with AnsaldoBreda and the subcontractor, US&S on LRV No. 701 (now in Los Angeles) toward the accomplishment of the First Article Inspection and Proof of Design Testing.

Concern No. 2: Documentation submittals are close to complete. However, several submittals continue lagging behind the contract schedule.

Status/Action AnsaldoBreda is making an effort to "catch-up" through the efforts of their documentation consultant.

Concern No. 3: Both Milestones 5A, Approval of all design drawings, and 6A Approval of Cab Mock-up, are not yet complete nor officially approved.





Status/Action The AnsaldoBreda invoice for Milestone 6A was partially paid in the amount of 50% of the Contract Milestone amount. The remaining 50% will be paid upon delivery and acceptance of the Mock-up in Los Angeles.

Concern No. 4: Both Milestones 7A, Approval Traction Motor Performance Tests and 8A Approval of Car Body Stress Analysis and Compression Tests are not yet complete nor officially approved as was scheduled.

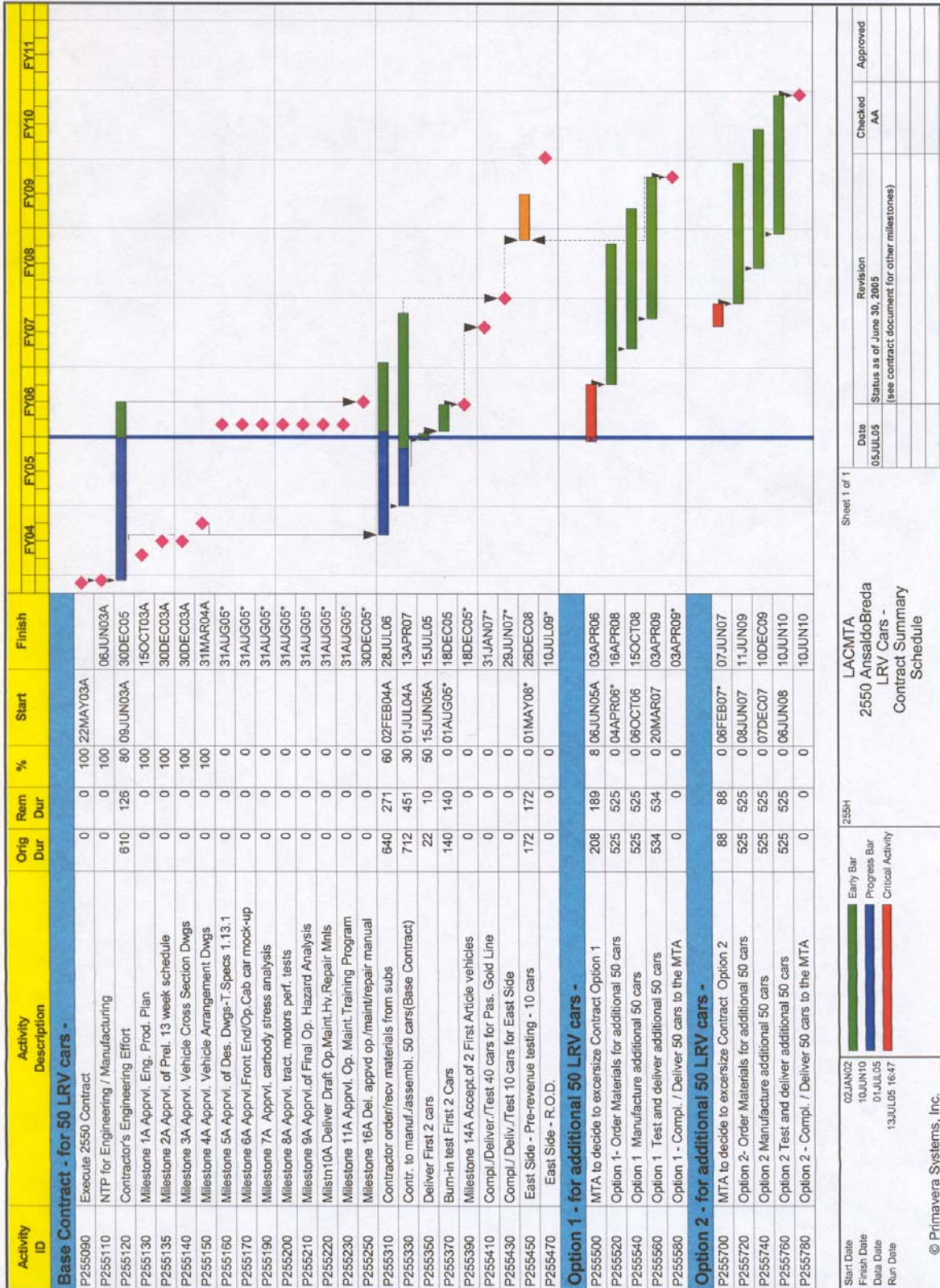
Status/Action AnsaldoBreda has rescheduled these tests to occur during the next quarter.

KEY MILESTONE SCHEDULE SIX-MONTH LOOKAHEAD

	Milestone Date	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05
First LRV Car Delivered in Los Angeles	6/15/05*	○					
5A-Approval of All Drawings Per Section 1.13.1 of Tech Specs	8/31/05*			○			
6A-Approval of Front End and Operator Cab Car Mock-up	8/31/05*			○			
7A-Approval of Carbody Stress Analysis and Compression Test Reports	8/31/05*			○			
8A-Approval of Traction Motors Performance Tests	8/31/05*			○			
9A-Approval of Final Operation Hazard Analysis	8/31/05*			○			
10A-Deliver Draft Operator Maintenance Heavy Repair Manual	8/31/05*			○			
11A-Approval of Operator Maintenance Training Program	8/31/05*			○			

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

SUMMARY SCHEDULE



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

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

METRO GOLD LINE EASTSIDE EXTENSION

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

SCHEDULE NARRATIVE

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

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

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

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

As of June 2005, the Contractor completed Milestones 1A, 2A, 3A, and 4A. The scaled LRV model was delivered in April 2005 and the first LRV car was delivered in Los Angeles on June 15, 2005. The contractor is in the process of completing Milestones 5A, 6A, 7A and 8A work. Ninety-eight (98%) of this work is completed. However, these milestones cannot yet be approved until all documentation has been submitted. Partial payment for completion of Milestone 6A invoice has been made with the balance pending submittal of missing information. The Contractor continues to work on Milestones 9A, 10A and 11A. Contract physical completion as of June 2005 is 49%.

PROJECT COST STATUS

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

6/30/05

* To be revised to show reduction in awarded Contractor value resulting from a sales tax exemption on rail cars (Granted by the California State Board of Equalization)

FISCAL YEAR CASH FLOW

Metro CONTRACT NO. P2550, LIGHT RAIL VEHICLES														
MILESTONE PAYMENT CASHFLOW SCHEDULE BY PROJECT, MONTH, & FISCAL YEAR														
30 JUNE 2005 Rev 0 [Forecasts FY05 Rollover of \$15,319,315 and FY06 Rollover of \$9,457,051] (Supersedes 31 MARCH 2005 Rev 0)														
Metro	Contract P2550 Schd Date	Contract P2550 Schd Date	Contract P2550 Schd Date	Contract P2550 Schd Date	Contract P2550 Schd Date	Contract P2550 Schd Date	Contract P2550 Schd Date	Contract P2550 Schd Date	Contract P2550 Schd Date	Contract P2550 Schd Date	Contract P2550 Schd Date	Contract P2550 Schd Date	Contract P2550 Schd Date	Contract P2550 Schd Date
	Contract P2550 Schd Date	Contract P2550 Schd Date	Contract P2550 Schd Date	Contract P2550 Schd Date	Contract P2550 Schd Date	Contract P2550 Schd Date	Contract P2550 Schd Date	Contract P2550 Schd Date	Contract P2550 Schd Date	Contract P2550 Schd Date	Contract P2550 Schd Date	Contract P2550 Schd Date	Contract P2550 Schd Date	Contract P2550 Schd Date
	1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	5	\$22,121,755	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	6 (A)	\$22,121,755	\$5,530,439	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	7	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	9	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	11	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	12 (A)	\$5,530,439	\$1,382,610	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	18	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	19	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	22	\$1,659,132	\$414,783	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	23	\$3,318,263	\$829,566	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	24	\$6,636,527	\$1,659,132	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	25	\$6,636,527	\$1,659,132	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	26	\$4,977,395	\$1,244,349	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	27	\$3,318,263	\$829,566	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	29	\$11,060,878	\$2,765,219	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	30	\$11,060,878	\$2,765,219	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	37	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	38	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	39	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	40	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	41	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	42	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	43	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	44	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	45	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	46	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	47	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	48	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TOTALS	\$66,385,266	\$16,591,316	\$44,243,510	\$11,060,878	\$7,256,937	\$1,814,234	\$117,865,713	\$29,466,428	\$29,466,428	\$147,332,141	\$147,332,141	\$147,332,141	\$147,332,141

* March 2005 and June 2005 Cashflow Updates indicate the Carryover forecast from FY05 to FY06 to be \$15,319,315 and indicates the carryover from FY06 to FY07 to be \$9,457,051 due to different vehicle delivery dates than planned.
Carryover of the \$15.3 million from FY05 is included in the FY06 budget except for an additional \$3.5 million which still needs to be funded in FY06.

CHANGE CONTROL STATUS

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

There are no Changes this reporting period.

FINANCIAL/GRANT STATUS

JUNE 2005		STATUS OF FUNDS BY SOURCE							
SOURCE	(A) ORIGINAL BUDGET	(B) TOTAL FUNDS ANTICIPATED	(C) TOTAL FUNDS AVAILABLE	(D) (D/B) COMMITMENTS		(E) (E/B) EXPENDITURES		(F) (F/B) BILLED to FUNDING SOURCE	
				\$	%	\$	%	\$	%
FEDERAL - STIP	71.1	71.1	15.4	53.3	75%	15.4	22%	15.4	29%
FED-SEC 5309 FIXED GUIDEWAY	38.3	38.3	25.9	38.3	100%	17.5	46%	17.5	46%
FEDERAL - RSTP	7.7	7.7	0.0	7.7	100%	0.0	0%	0.0	0%
FEDERAL - CMAQ	14.2	14.2	0.0	14.2	100%	0.0	0%	0.0	0%
STATE STIP	6.0	6.0	0.0	6.0	100%	0.0	0%	0.0	0%
STATE STA	15.6	15.6	14.2	15.6	100%	6.4	41%	6.4	41%
UNBILLED ACRUALS						0.9			
TOTAL	152.9	152.9	55.6	135.1	88%	40.1	26%	39.2	26%

(1) Based on June 2003 Regional Programming Funding Plan.
Note: Expenditures are cumulative through May 2005.
The 2550 Rail Vehicle Program consists of 40 light rail vehicles and associated costs.

STATUS OF FUNDS ANTICIPATED

STIP FEDERAL: LACMTA submitted a request for a STIP allocation of \$29,159,000 to the CTC for consideration at their July 2005 meeting.

FEDERAL SECTION 5309: LACMTA submitted a grant application for \$10,742,000 to the FTA for approval. FTA approved the grant on December 8, 2004. The funds are available for drawdown.

FEDERAL RSTP: A grant application for \$7,700,000 was executed on April 7, 2005. Funds are available for drawdown.

FEDERAL CMAQ: A grant application for \$14,200,000 was submitted to FTA. For approval Grant approval is expected in September 2005.

RAIL CAR DELIVERY



The first rail car was delivered to Los Angeles on June 15, 2005.

APPENDIX

COST AND BUDGET TERMINOLOGY

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

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

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

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

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

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

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

APPENDIX

LIST OF ACRONYMS

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