

2550 Rail Vehicle Program

March 2005

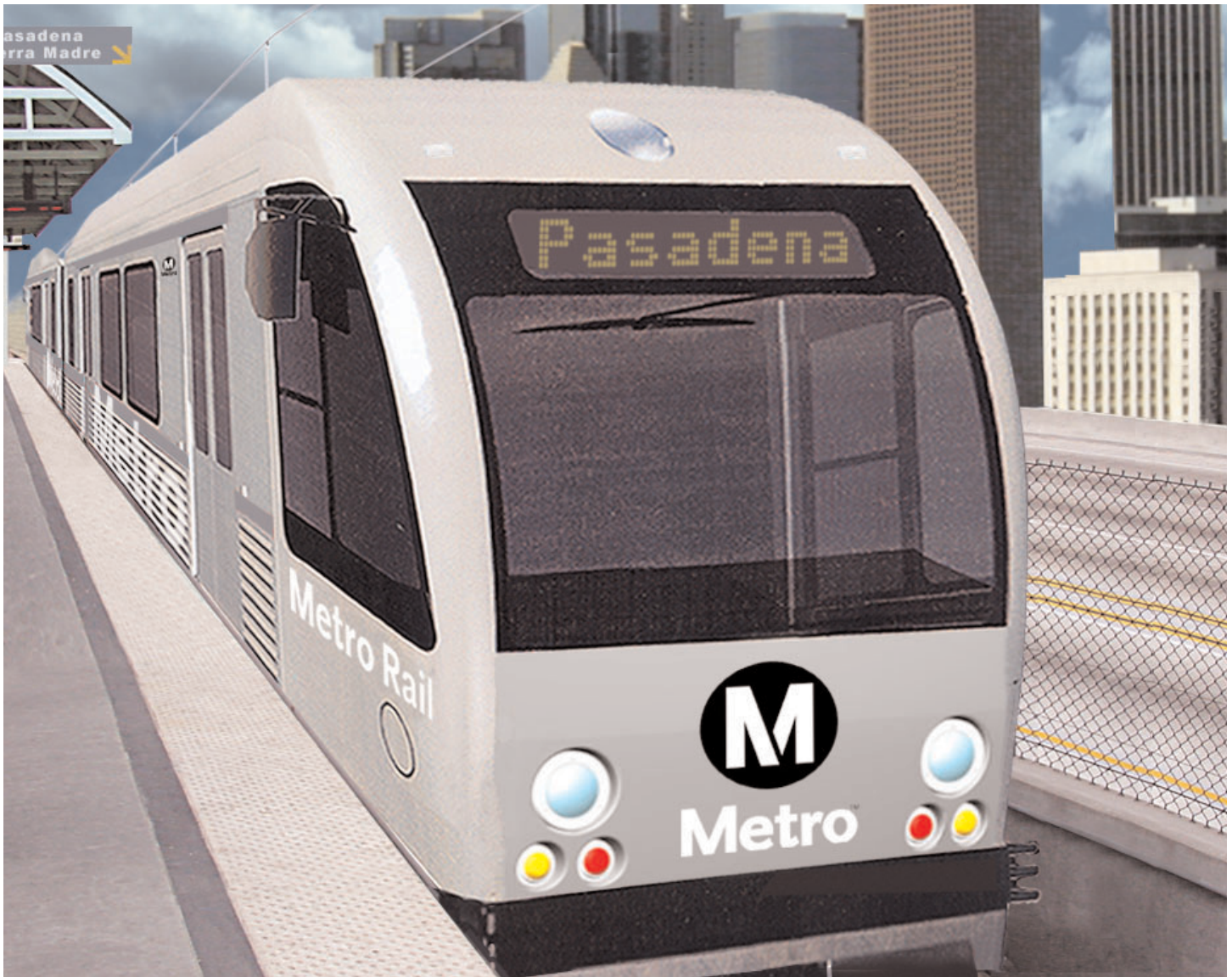


TABLE OF CONTENTS

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

PROJECT OVERVIEW

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

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

Project accomplishments through the period ending March 2005 included:

- 1.** The Metro Integrated Project Team (IPT) performed on-site review of the 2550 LRV car structure fabrication and assembly at the AnsaldoBreda, Pistoia, Italy Plant.
- 2.** Members of the IPT, AnsaldoBreda and the subcontractor conducted the First Article Inspection of the Doors and Door Operating system in Tours, France and Tarragona, Spain.
- 3.** The IPT conducted First Article Inspections, and traveled to the U.S. and European sites to support these program management efforts.
- 4.** 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.
- 5.** 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 MTA in June 2005.
- 6.** MTA Joint Project Team visited AnsaldoBreda's Italian facilities to assess engineering work progress, reviewed program schedule during the months of January, February, and March 2005.
- 7.** AnsaldoBreda has completed the scale model of the LRV Car and its receipt is expected in Los Angeles during April 2005.

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 MTA'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 toward the accomplishment of the First Article Inspection rescheduled for next quarter. AnsaldoBreda and US&S have recently visited all MTA rail lines to gather empirical data for design input in advance of the upcoming First Article Inspection.

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.

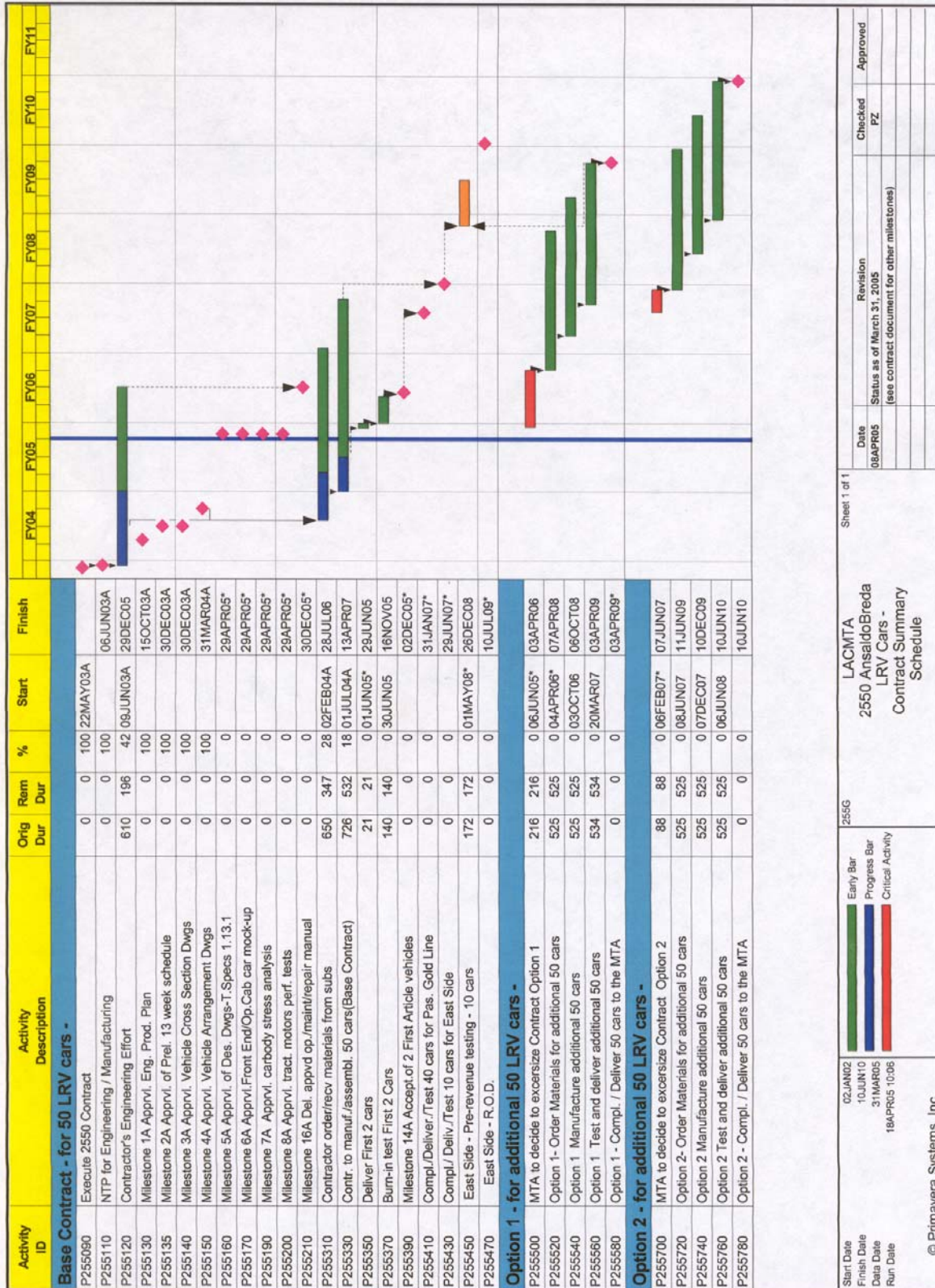
Status/Action MTA has received AnsaldoBreda invoice for Milestone 6A and is in process of reviewing the material and documentation for approvability.

KEY MILESTONE SCHEDULE SIX-MONTH LOOKAHEAD

	Milestone Date	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05
5A-Approval of All Drawings Per Section 1.13.1 of Tech Specs	4/30/05*		○				
6A-Approval of Front End and Operator Cab Car Mock-up	4/30/05*		○				
7A-Approval of Carbody Stress Analysis and Compression Test Reports	4/30/05*		○				
8A-Approval of Traction Motors Performance Tests	4/30/05*		○				

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

SUMMARY SCHEDULE



Date	08APR05
Status as of	March 31, 2005
Revision	
Checked	PZ
Approved	

Sheet 1 of 1
 LACMTA
 2550 AnsaldoBreda
 LRV Cars -
 Contract Summary
 Schedule

Start Date	02JAN02
Finish Date	10JUN10
Data Date	31MAR05
Run Date	18APR05 10:06

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

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

METRO GOLD LINE EASTSIDE EXTENSION

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

SCHEDULE NARRATIVE

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

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

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

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

As of March 2005, the Contractor completed milestones 1A, 2A, 3A, and 4A. The contractor is in the process of completing the Milestone 5A, 6A, 7A and 8A work. Ninety-eight (98%) of this work is completed. However, these milestones cannot yet be approved. AnsaldoBreda has invoiced for 6A work. The contractor continues to work on Milestones 7A and 8A. Physical completion as of March 2005 is 42%.

PROJECT COST STATUS

ELEMENT	LRV PROJECT BUDGET FOR 800151 (PASADENA)	LRV PROJECT BUDGET FOR 80088 (EASTSIDE)	TOTAL LRV PROJECT BUDGET	COMMENTS
Base Buy 50 LRVs	\$119,734,000	\$29,933,500	\$149,667,500	40 LRVs for the Pasadena Gold Line and 10 LRVs for the Eastside Line
Base Buy Spare Parts	\$5,849,886	\$1,462,471	\$7,312,357	
Base Buy Special Tools & Test Equip	\$1,407,051	\$351,763	\$1,758,814	
Subtotals	\$126,990,937	\$31,747,734	*\$158,738,671	
Contingency	\$12,699,094	\$3,174,773	\$15,873,867	.
Subtotals	\$139,690,031	\$34,922,507	\$174,612,538	
Rail Consultant				
Rail Consultant	\$6,870,830	\$1,717,707	\$8,588,537	Contract PS 8310-1267 for Rail Consultant staff technical services
Contingency	\$343,542	\$85,885	\$429,427	
Subtotals	\$7,214,372	\$1,803,592	\$9,017,964	
MTA Staff				
MTA Staff	\$6,014,602	\$1,577,798	\$7,592,400	MTA staff on the Integrated Project Team
TOTALS	\$152,919,004	\$38,303,898	\$191,222,902	

3/31/05

* 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														
31 MARCH 2005 Rev 0 [Forecasts FY05 Rollover of \$15,319,315 and FY06 Rollover of \$9,457,051*] (Supersedes 20 JANUARY 2005 Rev 0)														
P2550 Contract Sched Payment Date	Metro MTP	Contract Table A Milestone Payments [80% PGL]	Contract Table A Milestone Payments [20% ESGL]	Contract Table B Milestone Payments [40 LRVs PGL]	Contract Table B Milestone Payments [60 LRVs ESGL]	Contract Table C Milestone Payments [80% PGL]	Contract Table C Milestone Payments [20% ESGL]	PASADENA MILESTONE PAYMENTS TOTALS	PASADENA FISCAL YEAR TOTALS	EASTSIDE MILESTONE PAYMENTS TOTALS	EASTSIDE FISCAL YEAR TOTALS	Metro CONTRACT P2550 TOTALS BY MONTH	Metro CONTRACT P2550 TOTALS BY FY	FY
Jul-03	1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	FY03
Aug-03	2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	FY04
Sep-03	3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	FY04
Oct-03	4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	FY04
Nov-03	5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	FY04
Dec-03	6 (A)	\$22,121,755	\$5,530,439	\$0	\$0	\$0	\$0	\$22,121,755	\$27,652,194	\$5,530,439	\$0	\$27,652,194	\$27,652,194	FY04
Jan-04	7	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	FY04
Feb-04	8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	FY04
Mar-04	9	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	FY04
Apr-04	10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	FY04
May-04	11	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	FY04
Jun-04	12 (A)	\$5,530,439	\$1,382,610	\$0	\$0	\$0	\$0	\$5,530,439	\$27,652,194	\$1,382,610	\$6,913,049	\$6,913,049	\$34,565,243	FY04
Jul-04	13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	FY05
Aug-04	14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	FY05
Sep-04	15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	FY05
Oct-04	16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	FY05
Nov-04	17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	FY05
Dec-04	18	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	FY05
Jan-05	19	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	FY05
Feb-05	20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	FY05
Mar-05	21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	FY05
Apr-05	22	\$1,659,132	\$414,783	\$0	\$0	\$0	\$0	\$1,659,132	\$12,852,740	\$414,783	\$0	\$2,073,915	\$2,073,915	FY05
May-05	23	\$3,316,263	\$829,566	\$0	\$0	\$0	\$0	\$3,316,263	\$12,852,740	\$829,566	\$0	\$4,147,829	\$4,147,829	FY05
Jun-05	24	\$6,632,527	\$1,659,132	\$1,238,818	\$309,705	\$0	\$0	\$7,871,345	\$12,852,740	\$1,968,838	\$3,213,185	\$9,844,181	\$16,065,925	FY05
Jul-05	25	\$6,632,527	\$1,659,132	\$1,057,420	\$264,948	\$0	\$0	\$7,893,648	\$12,852,740	\$1,923,487	\$0	\$9,817,433	\$9,817,433	FY05
Aug-05	26	\$4,977,395	\$1,244,349	\$997,287	\$149,322	\$0	\$0	\$5,747,682	\$12,852,740	\$1,393,670	\$0	\$6,968,352	\$6,968,352	FY05
Sep-05	27	\$3,316,263	\$829,566	\$243,339	\$60,835	\$7,256,937	\$1,814,234	\$10,816,539	\$12,852,740	\$2,704,635	\$0	\$13,523,174	\$13,523,174	FY05
Oct-05	28	\$0	\$0	\$349,523	\$87,381	\$0	\$0	\$436,904	\$12,852,740	\$87,381	\$0	\$436,904	\$436,904	FY05
Nov-05	29	\$11,060,878	\$2,765,219	\$216,792	\$54,198	\$0	\$0	\$11,277,670	\$12,852,740	\$2,819,417	\$0	\$14,097,087	\$14,097,087	FY05
Dec-05	30	\$1,106,088	\$276,522	\$659,227	\$164,807	\$0	\$0	\$1,765,315	\$12,852,740	\$441,329	\$0	\$2,206,644	\$2,206,644	FY05
Jan-06	31	\$0	\$0	\$371,645	\$92,911	\$0	\$0	\$464,556	\$12,852,740	\$92,911	\$0	\$464,556	\$464,556	FY05
Feb-06	32	\$0	\$0	\$703,471	\$175,868	\$0	\$0	\$879,339	\$12,852,740	\$175,868	\$0	\$879,339	\$879,339	FY05
Mar-06	33	\$0	\$0	\$1,367,124	\$341,781	\$0	\$0	\$1,708,905	\$12,852,740	\$341,781	\$0	\$1,708,905	\$1,708,905	FY05
Apr-06	34	\$0	\$0	\$1,433,490	\$358,372	\$0	\$0	\$1,791,862	\$12,852,740	\$358,372	\$0	\$1,791,862	\$1,791,862	FY05
May-06	35	\$0	\$0	\$1,345,003	\$336,251	\$0	\$0	\$1,681,253	\$12,852,740	\$336,251	\$0	\$1,681,253	\$1,681,253	FY05
Jun-06	36	\$0	\$0	\$1,521,977	\$380,494	\$0	\$0	\$1,902,471	\$12,852,740	\$380,494	\$11,055,596	\$11,055,596	\$11,055,596	FY05
Jul-06	37	\$0	\$0	\$3,200,281	\$800,070	\$0	\$0	\$3,200,281	\$12,852,740	\$800,070	\$0	\$4,000,351	\$4,000,351	FY06
Aug-06	38	\$0	\$0	\$3,200,281	\$800,070	\$0	\$0	\$3,200,281	\$12,852,740	\$800,070	\$0	\$4,000,351	\$4,000,351	FY06
Sep-06	39	\$0	\$0	\$2,847,238	\$661,809	\$0	\$0	\$2,847,238	\$12,852,740	\$661,809	\$0	\$3,309,047	\$3,309,047	FY06
Oct-06	40	\$0	\$0	\$3,286,545	\$816,661	\$0	\$0	\$3,286,545	\$12,852,740	\$816,661	\$0	\$4,083,307	\$4,083,307	FY06
Nov-06	41	\$0	\$0	\$3,001,184	\$750,296	\$0	\$0	\$3,001,184	\$12,852,740	\$750,296	\$0	\$3,751,481	\$3,751,481	FY06
Dec-06	42	\$0	\$0	\$2,912,697	\$728,174	\$0	\$0	\$2,912,697	\$12,852,740	\$728,174	\$0	\$3,640,872	\$3,640,872	FY06
Jan-07	43	\$0	\$0	\$2,847,238	\$661,809	\$0	\$0	\$2,847,238	\$12,852,740	\$661,809	\$0	\$3,309,047	\$3,309,047	FY06
Feb-07	44	\$0	\$0	\$2,779,968	\$694,992	\$0	\$0	\$2,779,968	\$12,852,740	\$694,992	\$0	\$3,474,960	\$3,474,960	FY06
Mar-07	45	\$0	\$0	\$2,713,603	\$678,401	\$0	\$0	\$2,713,603	\$12,852,740	\$678,401	\$0	\$3,392,004	\$3,392,004	FY06
Apr-07	46	\$0	\$0	\$2,315,412	\$578,853	\$0	\$0	\$2,315,412	\$12,852,740	\$578,853	\$0	\$2,894,265	\$2,894,265	FY06
May-07	47	\$0	\$0	\$2,049,949	\$512,487	\$0	\$0	\$2,049,949	\$12,852,740	\$512,487	\$0	\$2,562,437	\$2,562,437	FY06
Jun-07	48	\$0	\$0	\$2,403,897	\$560,974	\$0	\$0	\$2,403,897	\$12,852,740	\$560,974	\$8,284,598	\$3,004,872	\$41,422,993	TTL
TOTALS		\$86,365,266	\$16,591,316	\$44,243,510	\$11,060,878	\$7,256,937	\$1,814,234	\$117,865,713	\$117,865,713	\$25,466,428	\$29,466,428	\$147,332,141	\$147,332,141	TOTALS

Reduction in awarded Contract Value from \$158,738,671 to \$147,332,141 results from a Sales Tax exemption on rail cars granted by the CA State Board of Equalization. Contract Modification No. 2 dated December 21, 2003.
 * March 2005 Cashflow Updates indicates a Carryover forecast from FY05 to FY06 to be \$15,319,315 and indicates a 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	Approved		Obligated		Total Approved Amount	Potential		Total Potential Value
		Executed Changes		LNTPs (NTE)			Pending		
		#	\$	#	\$		#	\$	
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0

There are no Changes this reporting period.

FINANCIAL/GRANT STATUS

MARCH 2005		STATUS OF FUNDS BY SOURCE									
SOURCE	(A) ORIGINAL BUDGET	(B) TOTAL FUNDS ANTICIPATED	(C) TOTAL FUNDS AVAILABLE	(D) COMMITMENTS	(D/B)	(E) EXPENDITURES		(E/B)		(F) BILLED to FUNDING SOURCE	
				\$	%	\$	%	\$	%	\$	%
FEDERAL - STIP	71.1	71.1	15.4	53.3	75%	15.4	22%	15.4	29%		
FED-SEC 5309 FIXED GUIDEWAY	38.3	38.3	25.9	38.3	100%	15.5	40%	15.5	40%		
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	5.8	15.6	100%	5.9	38%	5.9	38%		
UNBILLED ACRUALS						1.4					
TOTAL	152.9	152.9	47.1	135.1	88%	38.1	25%	36.7	24%		

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

STATUS OF FUNDS ANTICIPATED

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

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

APPENDIX

COST AND BUDGET TERMINOLOGY

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

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

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

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

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

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

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

**APPENDIX
LIST OF ACRONYMS**

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