

2550 Rail Vehicle Program

December 2009



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 WITH FUNDS FROM THE STATE OF CALIFORNIA

December 2009

TABLE OF CONTENTS

	Page No.
Project Overview.....	1
Management Issues.....	2
Project Status	
• Schedules	
• P2550 Vehicle Contract & Proposed Delivery Schedule.....	3
• Schedule Issues as of January 1, 2010.....	4-5
• Project Budget Status.....	6
• Financial/Grant Status.....	7
• Current Photos.....	8
Appendices.....	9-10

PROJECT OVERVIEW

The 2550 Light Rail Vehicle Base Contract for a Base order of 50 LRVs was awarded to AnsaldoBreda, S.p.A. of Pistoia and Naples, Italy (A.B.). The 2550 Contract also includes two 50-LRV pre-priced options for future growth, expansions, and new lines. These options are subject to specific U.S. Department Of Labor Producer Price Index escalation and will require future Metro Board approval in order to become a binding contract requirement. Per MTA Board Action in September 2009, staff was tasked to extend the expiration dates of both options to October 31, 2009, and finalize exercise of the options by that date. AnsaldoBreda declined to accept Metro conditions for the options and the options expired.

As a result of the project status evaluation by the Project Team in 2008, AB made several changes to AB's Project Management staff organization and increased supervision of the project from US by the addition of new expert vehicle Engineers and technicians to AB's team. As of December 2009, twenty-nine vehicles have been Conditionally Accepted for operation on the Metro Gold Line.

Project accomplishments for this period:

1. As of December 2009, Metro Conditionally Accepted twenty-nine (29) vehicles for operation on Metro Gold Line. Accepted vehicles have been operating in revenue service since March 2008. However, some operational issues have been discovered as a result of experience gained in actual revenue operation. AB has addressed all operational issues as they have been encountered. As of to date the P2550 fleet has accumulated over 1,000,000 miles of revenue service.
2. As of December 2009, Metro has received a total of thirty-three (33) vehicles in Los Angeles from the Pittsburg, CA Final Assembly Plant. Due to limited space at Metro Gold Line Shop (MGDL) only 28 of the 33 cars shipped to Los Angeles are stationed at MGDL. The remaining five cars are at Metro Green and Blue Lines. Metro Management decided that all P2550 vehicles would operate at MGDL. Therefore, all future P2550 shipments will be made to the MGDL and all existing P2000 vehicles will be transferred from MGDL to MBL during the next twelve months.
3. Numerous meetings (daily, weekly and monthly) have been held with AB engineers during the period to determine the status, to close engineering open items and improve revenue operational issues. The work is ongoing. A project meeting also was held in Italy during the October/November period to resolve technical issues.
4. The Project Team supported all vehicle related activities for the Eastside opening.

MANAGEMENT ISSUES

Concern No. 1: Resolution of remaining open items on Conditionally Accepted vehicles and vehicle configuration finalization.

Status/Action No. 1: The Project Team is working closely with AB to address all field observed issues to insure vehicle revenue service reliability. A fourth project meeting with AB was held in the October/November period in Italy to address remaining open technical issues.

Concern No. 2: Vehicle onboard signaling system final design and approval progress is delayed.

Status/Action No. 2: A series of working conference calls have been held with AB and its signaling subcontractor Ansaldo STS (formally US&S) to resolve open items. A series of tests have been conducted by Ansaldo STS in Los Angeles and in Pittsburgh, Pennsylvania (at Ansaldo STS) in July 2009. As a result a new ATP software was approved and installed on all vehicles. This item is closed.

Concern No. 3: Options for additional 100 LRV's are due to expire on October 31, 2009.

Status/Action No. 3: At the September 2009 MTA Board Meeting a motion was passed directing the CEO to complete negotiations and finalize exercise of the options by October 31, 2009. AnsaldoBreda refused to accept Metro conditions for exercise of the options and the options expired on October 31, 2009. This item is closed.

**2550 Rail Vehicle Program
Quarterly Project Status Report**

December 2009

P2550 LIGHT RAIL VEHICLE CONTRACT & PROPOSED DELIVERY SCHEDULE

No. Of Cars	VEHICLE NUMBER	CONTRACT DELIVERY REQUIREMENT - MONTHS AFTER JUNE 6, 2003 NTP	CONTRACT REQUIRED DELIVERY DATE (End of Month)	UNAPPROVED DELIVERY SCHEDULE	ACTUAL DATE OF ARRIVAL AT METRO	CONDITIONAL ACCEPTANCE DATE	FINAL ACCEPTANCE DATE
1	701	24 MONTHS	JUNE/05	6/15/05	6/11/05	SEE NOTE 1	
2	702	24 MONTHS	JUNE/05	7/22/05	7/26/05	SEE NOTE 1	
3	705	26 MONTHS	AUGUST/05	10/31/06	1/09/07	SEE NOTES 1 & 2	
4	704	27 MONTHS	SEPTEMBER/05	11/30/06	1/30/07	8/6/08	
5	706	28 MONTHS	OCTOBER/05	12/31/06	2/28/07	3/5/08	
6	707	28 MONTHS	OCTOBER/05	12/31/06	5/31/07	SEE NOTES 1&2	
7	708	29 MONTHS	NOVEMBER/05	1/31/07	6/20/07	3/5/08	
8	709	29 MONTHS	NOVEMBER/05	1/31/07	7/31/07	4/16/09	
9	710	30 MONTHS	DECEMBER/05	2/28/07	8/30/07	6/13/08	
10	711	30 MONTHS	DECEMBER/05	2/28/07	5/30/08	7/15/08	
11	712	31 MONTHS	JANUARY/06	3/31/07	6/06/08	8/29/08	
12	713	31 MONTHS	JANUARY/06	3/31/07	6/24/08	11/25/08	
13	714	32 MONTHS	FEBRUARY/06	4/30/07	7/22/08	11/12/08	
14	715	32 MONTHS	FEBRUARY/06	4/30/07	8/5/08	10/31/08	
15	716	33 MONTHS	MARCH/06	4/30/07	8/26/08	3/31/09	
16	717	33 MONTHS	MARCH/06	5/31/07	9/23/08	10/24/08	
17	718	34 MONTHS	APRIL/06	5/31/07	9/30/08	11/20/08	
18	719	34 MONTHS	APRIL/06	5/31/07	11/6/08	3/23/09	
19	720	35 MONTHS	MAY/06	6/30/07	11/13/08	12/12/08	
20	721	35 MONTHS	MAY/06	6/30/07	11/19/08	12/23/08	
21	722	36 MONTHS	JUNE/06	6/30/07	12/2/08	1/23/09	
22	723	36 MONTHS	JUNE/06	7/31/07	12/16/08	2/20/09	
23	724	37 MONTHS	JULY/06	7/31/07	1/8/09	1/31/09	
24	725	37 MONTHS	JULY/06	7/31/07	1/28/09	2/27/09	
25	726	38 MONTHS	AUGUST/06	8/31/07	3/20/09	4/30/09	
26	727	38 MONTHS	AUGUST/06	8/31/07	4/9/09	5/19/09	
27	728	39 MONTHS	SEPTEMBER/06	8/31/07	5/1/09	5/29/09	
28	729	39 MONTHS	SEPTEMBER/06	9/30/07	5/20/09	6/23/09	
29	730	40 MONTHS	OCTOBER/06	9/30/07	5/29/09	6/29/09	
30	731	40 MONTHS	OCTOBER/06	9/30/07	6/12/09	12/20/09	
31	732	41 MONTHS	NOVEMBER/06	10/31/07	6/30/09		
32	733	41 MONTHS	NOVEMBER/06	10/31/07	7/31/09	12/31/09	
33	734	41 MONTHS	NOVEMBER/06	10/31/07	8/21/09		
34	735	42 MONTHS	DECEMBER/06	11/30/07	10/21/09		
35	736	42 MONTHS	DECEMBER/06	11/30/07	12/2/09		
36	737	42 MONTHS	DECEMBER/06	12/31/07	1/7/10		
37		43 MONTHS	JANUARY/07	12/31/07			
38		43 MONTHS	JANUARY/07	1/31/08			
39		43 MONTHS	JANUARY/07	1/31/08			
40		44 MONTHS	FEBRUARY/07	2/28/08			
41		44 MONTHS	FEBRUARY/07	2/28/08			
42		44 MONTHS	FEBRUARY/07	3/31/08			
43		45 MONTHS	MARCH/07	3/31/08			
44		45 MONTHS	MARCH/07	4/30/08			
45		45 MONTHS	MARCH/07	4/30/08			
46		46 MONTHS	APRIL/07	5/31/08			
47		46 MONTHS	APRIL/07	5/31/08			
48		46 MONTHS	APRIL/07	6/30/08			
49		47 MONTHS	MAY/07	6/30/08			
50		47 MONTHS	MAY/07	7/31/08			

NOTE 1: Vehicles 701, 702, 705 and 707 were returned to AB in Pittsburg for repair/upgrade.

NOTE 2: Vehicle 707 was returned to Los Angeles after repair/upgrade on 2/27/2009 and vehicle 705 was returned on 6/17/09.

SCHEDULE ISSUES

Notice to Proceed was given June 6, 2003. The base contract engineering and assembly effort for the first vehicle was scheduled to take approximately two years and delivery of the first two cars was scheduled for June 2005. The 50 car base contract funding was divided between Metro (40 cars) and the FTA (10 cars). The last (fiftieth) base contract LRV was scheduled for delivery 48-months after NTP, or approximately May 2007.

Status as of this writing follows:

This is a performance-based contract under which compensation is only paid when deliverables are received and approved by Metro. Compensation for contract milestone completion is an ongoing process and is directly related to Contractor performance. While progress is continuing, payments of Contract milestones lags behind. Performance improvement was promised by AnsaldoBreda Project Director, with the addition of more engineering staff at the Pittsburg, California Final Assembly Plant, Project Management staff at Pistoia Italy, and at Los Angeles Commissioning Facilities.

Subsequent to several meetings of Metro Management with AB Management, AB proposed a best effort schedule for delivery of two (2) vehicles (706 and 708) for Conditional Acceptance by Metro by mid-December 2007. However, due to lingering technical difficulties with Electro Magnetic Interference (EMI) and ATP/TWC Testing, the December schedule was postponed to March 2008. On March 5, 2008 the above two vehicles were Conditionally Accepted for Metro Gold Line operation only. To date twenty-nine (29) cars have been conditionally accepted by MTA.

Some of the known time critical issues that remain to be resolved to achieve the final Acceptance are:

- **Vehicle Onboard Signaling System Final Design.** The final design approval of vehicle signaling system has not been completed. Metro is aggressively working with AB and its signaling supplier Ansaldo STS (formally US&S) to close remaining open items. Additional testing has been scheduled in Los Angeles in October and November 2009. This item has been completed. A new software was installed. This item is closed.
- **4000 Mile Operational Test.** In order to complete the design review and approval cycle, the P2550 specification requires a 4000 mile revenue simulated test run of a 3 cars consist. Testing has been rescheduled to accommodate vehicle acceptance testing and will be completed as soon as adequate vehicles are available for Eastside Extension revenue start up.

SCHEDULE ISSUES

- **Vehicle Weight Issues Mitigation.** The vehicle weight issue is being reviewed by Metro. Various mitigation alternatives are being considered. Those alternatives are, but not limited to, the study of critical bridge structures and analysis, AB's investigation and proposal of feasible weight reduction measures, implementing vehicle passenger load increase monitoring capability with visual and audible annunciations of overweight conditions, and commercial considerations etc; AB has made several recommendations of weight mitigation proposals for Metro Management's consideration as part of negotiation of the 100 car option. Negotiations were held with AnsaldoBreda regarding the vehicle weight issue after the options expired. Those negotiations resulted in AnsaldoBreda agreeing to reimburse Metro in lieu of correcting the vehicle over weight condition and other discrepancies. This item is closed.

PROJECT BUDGET STATUS

ELEMENT	LRV PROJECT BUDGET FOR 800151 (40 LRV'S)	LRV PROJECT BUDGET FOR 800088 (10 LRV'S)	TOTAL LRV PROJECT BUDGET	COMMENTS
Base Buy 50 LRVs	\$119,734,000	\$29,933,500	\$149,667,500	
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 *-3,110,093 \$9,589,001	\$3,174,773 *-777,523 \$2,397,250	\$15,873,867 *-3,887,616 \$11,986,251	
Subtotals	\$139,690,031	\$34,922,507	\$174,612,538	
Rail Consultant	\$6,870,830 *+3,110,093	\$1,717,707 *+777,523	\$8,588,537 *+3,887,616	Contract PS 8310-1267 for Rail Consultant staff technical services
Contingency	\$343,542	\$85,885	\$429,427	
Subtotals	*\$10,324,465	*\$2,581,115	*\$12,905,580	
MTA Staff	\$6,014,602	\$1,577,798	\$7,592,400	
TOTALS	\$152,919,004	\$38,303,898	\$191,222,902	

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

Fiscal Year Cashflow Table (Milestone Payment) is currently under review.

* Revision due to extension and increase to Rail Consultant Contract approved at the July 2008 MTA Board Meeting.

FINANCIAL/GRANT STATUS

DECEMBER 2009		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		in \$ millions (F) (F/B) BILLED to FUNDING SOURCE	
				\$	%	\$	%	\$	%
FEDERAL - STIP	71.1	15.4	15.4	15.4	100%	15.4	100%	15.4	100%
FED-SEC 5309 FIXED GUIDEWAY	38.3	25.9	25.9	25.9	100%	25.9	100%	25.9	100%
FEDERAL - RSTP	7.7	7.7	7.7	7.7	100%	0.0	0%	0.0	0%
FEDERAL - CMAQ	14.2	14.2	14.2	14.2	100%	0.0	0%	0.0	0%
STATE STIP	6.0	61.7	61.7	59.7	97%	39.3	64%	39.0	65%
STATE STA	15.6	15.6	15.6	15.6	100%	8.6	55%	8.6	55%
PROPOSITION A 35% BONDS	0.0	12.3	0.0	0.0	0%	0.0	0%	0.0	0%
UNBILLED ACRUALS									
TOTAL	152.9	152.9	140.6	138.6	91%	89.2	58%	89.0	58%

(1) Based on September 06 Regional Programming Funding Plan.
 Note: Expenditures are cumulative through November 2009.
 The 2550 Rail Vehicle Program consists of 40 light rail vehicles (LRV) and associated costs. The remaining 10 LRV's and associated costs under Contract P2550 are being charged directly against the Metro Gold Line Eastside Extension Project.

STATUS OF FUNDS ANTICIPATED

STIP STATE: LACMTA requests for STIP allocation have been approved. \$61.73 million is available for drawdown.

FEDERAL SECTION 5309: LACMTA grant applications have been approved. \$25.9 million in section 5309 funds were approved. Funds have been drawdown.

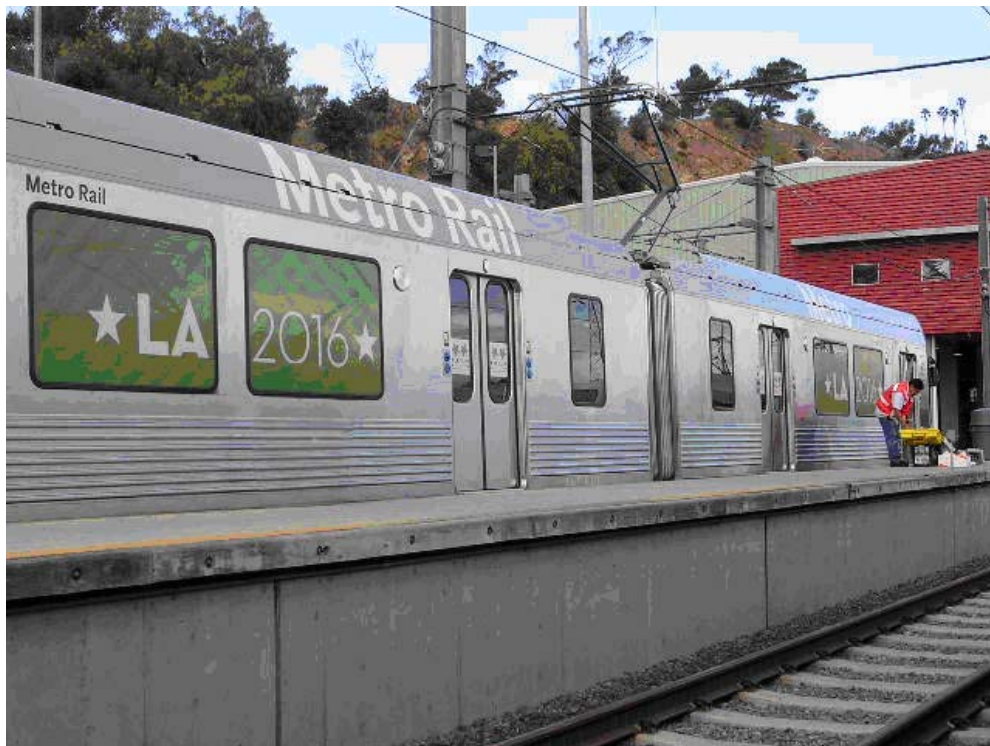
FEDERAL RSTP: A grant agreement for \$7.7 million was executed on April 7, 2005. Funds are available for drawdown.

FEDERAL CMAQ: A grant agreement for \$14.2 million was executed on August 25, 2005. Funds are available for drawdown.

CURRENT PHOTOS



2550 LRV Coming Around the Curve into Union Station.



2550 LRV at Metro Gold Line Yard with Decals for LA Olympic Bid.

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 Metro 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 Metro's Accounting department for contractor or consultant invoices, third party invoices, staff salaries, and closing payments for escrow accounts that is reported in Metro'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 (Metro 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**

ATP	Automatic Train Protection
CN	Change Notice
CO	Change Order
CMAQ	Congestion Mitigation & Air Quality
CTC	California Transportation Commission
FFGA	Full Funding Grant Agreement
FIS	Financial Information System
FTA	Federal Transit Administration
FY	Fiscal Year
HVAC	Heating, Ventilation, Air Conditioning
LACMTA	Los Angeles County Metropolitan Transportation Authority (Metro)
LNTP	Limited Notice To Proceed
LRV	Light Rail Vehicle
METRO	Los Angeles County Metropolitan Transportation Authority
MGLEE	Metro Gold Line Eastside Extension
N/A	Not Applicable
NTE	Not to Exceed
NTP	Notice To Proceed
PGL	Pasadena Gold Line
PMOC	Project Management Oversight Consultant
QPSR	Quarterly Project Status Report
RSTP	Regional Surface Transportation Program
SSPP	System Safety Program Plan
STIP	State Transportation Improvement Program
TBD	To Be Determined
TWC	Train to Wayside Communications
US&S	Formerly Union Switch and Signal