



**Metro**

Los Angeles County  
Metropolitan Transportation Authority

One Gateway Plaza  
Los Angeles, CA 90012-2952

**21**

**FINANCE AND BUDGET COMMITTEE**  
**January 21, 2009**

**SUBJECT: FY09 FIRST QUARTER FINANCIAL PERFORMANCE**

**ACTION: RECEIVE AND FILE**

**RECOMMENDATION**

Receive and file the FY09 First Quarter Financial Performance Report.

**ISSUE**

This report discusses our FY09 First Quarter Financial Performance.

**DISCUSSION**

**SUMMARY OF SALES TAX REVENUES**

Prop A, Prop C, Transportation Development Act (TDA), and State Transit Assistance (STA) sales taxes represent over 60% or \$2 billion of our total budgeted revenues.

Actual sales tax information is not available until two and one-half months after the end of the quarter; therefore, first quarter sales tax data is not scheduled to be received until mid-December 2008. Since this will be after the deadline to prepare this written report, it will be presented as part of an oral summary at the committee. It is anticipated that revenue will be between 10% and 12% below the adopted budget for the same period.

STA revenues are sales taxes on gasoline and are allocated through the State budget process. Actual STA receipts totaling \$22.7 million were received in early November related to the first quarter reporting period. This amount is approximately 60% below the \$56.8 million budgeted for the quarter. The annual adopted budget for STA of \$227.1 million was based on the State Controller's estimate in January 2008. When the State budget was adopted in September 2008, the STA subsidies were reduced by \$136 million. A budget amendment to reduce our STA budget will be presented to the Board in January 2009.

## Outlook of Sales Tax Revenues

The FY09 adopted sales tax revenue budget was formulated using UCLA's forecast at the time the budget was prepared. The recent worldwide economic crisis points towards declines in sales tax revenues in the near term.

## SUMMARY OF ENTERPRISE FUND

Systemwide boardings were 128.1 million, 4.8 million (3.9%) more than budget, and 9.7 million (8.1%) more than last year. Higher boardings resulted in first quarter fare revenues of \$86.8 million, \$4.6 million (5.6%) more than budgeted and \$2.0 million (2.4%) more than last year. Fare revenue per boarding was \$0.68, 1.5% higher than budget, but 5.6% lower than last year. Advertising revenue met the budget of \$5.6 million.

July 1 through September 30, 2008 (Boardings in millions)					
		FY08 Q1	FY09 Q1	Change	% Change
1	MTA Bus	91.4	97.6	6.2	6.8%
2	Contract Bus	3.4	3.5	0.1	2.4%
3	Blue Line	6.2	7.0	0.8	12.5%
4	Red Line	10.8	12.4	1.5	14.1%
5	Gold Line	1.6	2.0	0.5	30.1%
6	Green Line	3.1	3.5	0.4	14.0%
7	Orange Line	1.9	2.1	0.2	8.9%
8	<b>All Modes</b>	<b>118.4</b>	<b>128.1</b>	<b>9.7</b>	<b>8.1%</b>

Operating expenses totaled \$290.0 million, \$17.2 million (5.6%) below budget. Labor savings accounted for \$6.6 million of this savings because we operated 1.6% less service than budgeted and left some positions vacant. Savings from vacant positions were partially offset by added overtime for the remaining employees. The resulting wage expenses were \$4.9 million below budget, and associated fringe benefits were \$1.7 million below budget. Fuel cost was lower than budget by \$0.6 million due to lower than anticipated usage of diesel and CNG. Parts cost was below budget by \$0.7 million due to greater than anticipated warranty recoveries from vendors. Professional services were below budget \$4.9 million due to delays implementing a number of new programs including: TAP; labor negotiations consulting; service planning and analysis systems development, and new rail programs such as overhead catenary system and battery replacement. Contract Services were \$2.6 million below budget due to delays receiving maintenance invoices from TAP and Facilities vendors. As a result of ongoing safety programs, liability costs were \$1.1 million below budget.

Propulsion power cost was \$0.8 million over budget due to higher summer peak usage seasonal electricity prices. All other expense categories were at or slightly below budget.

The combination of increased revenue and decreased cost resulted in a \$21.8 million first – quarter operating surplus.

For the three months ended September 30, 2008				
	(Dollars in Millions)	Actual	Budget	Variance
<b>Operating Revenue</b>				
1	Fares	\$86.8	\$82.2	\$4.6
2	Other	5.6	5.6	-
3	Total	92.4	87.8	4.6
<b>Operating Expenses</b>				
4	UTU Labor	62.4	66.3	(3.8)
5	ATU Labor	32.3	32.3	-
6	AFSCME Labor	11.3	12.1	(0.8)
7	Non-Contract Labor	15.5	15.8	(0.3)
8	TCU Labor	7.9	7.9	-
9	Teamster Labor	1.4	1.3	0.1
10	Fringe Benefits	51.5	53.2	(1.7)
13	<b>Subtotal All Labor</b>	<b>182.3</b>	<b>188.9</b>	<b>(6.6)</b>
14	Fuel	15.5	16.1	(0.6)
15	Propulsion Power	6.5	5.7	0.8
16	Parts	18.4	19.1	(0.7)
17	Security Services	16.9	17.1	(0.2)
18	Purchased Transportation	10.3	10.4	(0.1)
19	Contract Services	7.0	9.6	(2.6)
20	Professional Services	1.8	6.7	(4.9)
21	Workers' Comp	9.4	9.4	-
22	Insurance	14.2	15.3	(1.1)
23	Travel	-	0.1	(0.1)
24	Gateway Occupancy	4.1	4.1	-
25	All Others	3.5	4.6	(1.1)
26	Total	\$289.9	\$307.1	(\$17.2)
<b>Operating Expenses by Operating Project</b>				
27	San Fernando Valley Sector	\$34.2	\$33.9	\$0.3
28	San Gabriel Valley Sector	34.4	37.4	(3.0)
29	Gateway Cities Sector	31.6	35.0	(3.4)
30	South Bay Sector	37.1	39.3	(2.2)
31	Westside Central Sector	45.5	44.1	1.4
32	Orange Line	4.6	6.1	(1.5)
33	Bus Admin	14.9	15.5	(0.6)
34	Other Bus	29.8	33.2	(3.4)
35	Red Line	20.1	21.5	(1.4)
36	Blue Line	15.0	16.1	(1.1)
37	Green Line	9.3	9.8	(0.5)
38	Gold Line	9.2	10.3	(1.1)
39	Rail Admin	3.7	3.7	-
41	Regional	0.6	1.3	(0.7)
42	Total	\$290.0	\$307.2	(\$17.2)
Excludes: Muni share of EZ Pass, Debt, Depreciation				

## Outlook of Enterprise Fund

The CEO has implemented a hiring freeze and a mandatory reduction of expenses related to professional services contracts, travel, training and other miscellaneous expenses. These reductions are expected to lower Enterprise Fund expenses to ameliorate the loss of STA revenues. These actions are expected to result in year-end expenditures lower than the adopted budget.

## SUMMARY OF PERFORMANCE MEASURES FOR BUS AND ORANGE LINE

For the Three Months Ended September 31, 2008

Performance Measurement – Bus & Orange Line	FY09 Actual	FY09 Budget	Variance Over/ (Under)	FY08 Actual	FY07 Actual
1 Bus Cost/Revenue Service Hour	\$121.38	\$125.07	(\$3.69)	\$113.87	\$108.16
2 Orange Line Cost/Revenue Service Hour	\$197.99	\$251.69	(\$53.70)	\$176.14	\$200.40
3 Bus Revenue Service Hours	1,871,944	1,904,411	(32,467)	1,868,729	1,896,323
4 Orange Line Revenue Service Hours	24,711	25,390	(679)	24,123	20,810
5 Bus Cost/Passenger Mile	\$0.58	\$0.65	(\$0.06)	\$0.60	\$0.55
6 Orange Line Cost/Passenger Mile	\$0.40	\$0.59	(\$0.19)	\$0.38	\$0.41
7 Bus Subsidy/Passenger Mile	\$0.40	\$0.45	(\$0.06)	\$0.40	\$0.39
8 Orange Line Subsidy/Passenger Mile	\$0.29	\$0.47	(\$0.18)	\$0.26	\$0.33
9 Complaints per 100,000 Boardings	2.62	2.70	(0.08)	2.78	2.58
10 Traffic Accidents/100,000 Miles	3.03	3.46	(0.43)	3.23	3.51
11 New Workers Comp Claims per 200,000 Hours	13.22	13.92	(0.70)	13.45	13.89
12 Mean Miles Between Mechanical Failures	3,118	3,500	(382)	3,123	3,532
13 In-Service On-time Performance	64.90%	66.15%	-1.25%	64.4%	62.1%

## Discussion

Bus costs (excluding Orange Line) per Revenue Service Hour (RSH) were below the target by 2.9% because costs were \$11.0 million (4.6%) under budget while revenue service hours (RSH) were 1.7% under budget. RSH were below budget due to in-service delays. Operating expenses were 4.6% below budget due to under-expenditures in wages, benefits, fuel and services. Orange Line costs per RSH were below target because costs were 23.4% lower than budget, while RSH were 2.7% below budget. Bus and Orange Line passenger miles were 5.6% and 13.9% above budget respectively. Therefore, cost per passenger mile and subsidy per passenger mile were significantly better than budget.

Complaints per 100,000 boardings were lower than the annual target and lower than the previous year. The largest decrease in complaints were associated with fares, which peaked in July 2007 following the fare increase, and then declined, thereafter.

Traffic accidents per 100,000 miles were below target, and better than last year. Management continues to develop mitigation programs including defensive driving/accident awareness programs.

New workers' compensation claims per 200,000 hours were lower than the annual budget and last year. This is due to the ongoing safety program and safety meetings that focus on safety awareness and accident prevention.

Mean miles between mechanical failures requiring a bus exchange were worse than the target and the same as last year due to continuing battery and sensor related failures. In-service on-time performance was worse than the target, but slightly better than last year. It was negatively impacted by increased congestion and in-service delays.

**SUMMARY OF PERFORMANCE MEASURES FOR RAIL**

For the Three Months Ended September 31, 2008

Performance Measurement – Rail	FY09 Actual	FY09 Budget	Variance Over/ (Under)	FY08 Actual	FY07 Actual
1 Heavy Rail Cost/Vehicle Service Hour	\$317.75	\$338.88	(\$21.13)	\$325.96	\$290.99
2 Light Rail Cost/Vehicle Service Hour	\$367.88	\$396.15	(\$28.26)	\$386.73	\$375.61
3 Heavy Rail Cost/Passenger Mile	\$0.35	\$0.48	(\$0.14)	\$0.42	\$0.40
4 Light Rail Cost/Passenger Mile	\$0.40	\$0.53	(\$0.13)	\$0.47	\$0.48
5 Heavy Rail Subsidy/Passenger Mile	\$0.19	\$0.31	(\$0.12)	\$0.26	\$0.27
6 Light Rail Subsidy/Passenger Mile	\$0.31	\$0.43	(\$0.13)	\$0.37	\$0.40
7 New Workers Comp Claims per 200,000 Hours	6.63	10.89	(4.26)	13.06	11.39
8 Light Rail Vehicle Accident Rate/100,000 Miles	0.79	0.50	0.29	0.90	0.60

**Discussion**

Light rail expenses were \$2.7 million (6.9%) below budget primarily due to lower than budgeted wages, benefits, and services expenses. These savings were partially offset by higher than budget propulsion power costs.

Heavy rail expenses were \$1.4 million (6.1%) below budget due to lower than budgeted wages, benefits, services, and insurance expenses. As with light rail, these savings were partially offset by higher than budgeted propulsion power costs.

Light and heavy rail vehicle service hours were on budget. Therefore, lower than budgeted cost per vehicle service hour were primarily due to lower expenses. The combination of lower than planned operating costs, with higher than planned boardings and corresponding fare revenues resulted in lower than expected cost per passenger mile and subsidy per passenger mile.

New workers' compensation claims were significantly below budget and below last year as a result of a renewed safety focus by Rail management and staff. Light rail accidents on the Blue Line, were over the target primarily due to automobile accidents caused by the automobile driver. Rail Operations continues to focus on safety awareness programs to help reduce claims and accident rates.

## SUMMARY OF CAPITAL PROGRAM

The capital program includes 203 projects with a combined life-of-project (LOP) budget of \$2.8 billion. The status of all projects is summarized in the *Capital Program Variance Report*, available for download at the OMB Intranet web page.

Attached to this report is the capital program “watch list.” Twenty one projects (10% of all active capital projects) have been identified in the attached report with an eyeglasses (👓) symbol. These projects constitute 18% of the total LOP value of the capital program. Projects which have the eyeglass symbol have the potential for schedule or LOP budget problems at some point in the future. The eyeglass symbol provides an early warning of potential issues and which we are monitoring closely.

Twenty five projects (12% of all active capital projects) have been identified with a flag (🚩) symbol. Projects which have the flag symbol require mitigating action now to correct a problem with cost forecasts in excess of the approved LOP, a proposed significant change in scope, or a substantial delay in completion which may affect project cost or operating activities. These projects constitute 11% of the total LOP value of the capital program. The detail provided in the attachment describes the mitigating actions that we are addressing.

Eleven projects were completed during the first quarter of FY09 at a total savings of \$3.4 million. Ten were completed at a cost lower than the authorized LOP budgets. One project exceeded the LOP budget, but was less than \$1.0 million and, therefore, within the Board-approved guidelines authorizing the CEO to transfer contingency funds to the project.

	Project (Amounts in Thousands)	Forecasted Cost at Completion	Authorized LOP	Variance Over/(Under)
1	204017 Division 21 Improvements	\$1,707	\$4,500	(\$2,793)
2	207036 Maintenance and Materiel Mgmt. System Upgrades	827	1,006	(179)
3	205009 Crossing Gate Equipment Replacement	1,096	1,238	(142)
4	207024 FY08 Computer Equipment Technology Refresh Program	1,964	2,104	(140)
5	200018 Homeland Security Project (DHS)	3,067	3,179	(112)
6	209032 Upgrade Unitload Motor Controls and Positioning System	1,031	1,124	(93)
7	210079 High Rail Emergency Response Vehicle (DHS)	176	240	(64)
8	205080 Div. 21 Yard - Solar Switch Machine Controller	33	42	(9)
9	207018 FY07 Application Platform Upgrade	596	598	(2)
10	209013 New Expansion Pallet Racking at Central Warehouse	34	35	(1)
11	207040 FY08 Financial/HR System Upgrades	502	447	55
12	Total	\$11,034	\$14,513	(\$3,479)

Twenty-one continuing projects are projected to be completed at a cost \$10.4 million lower than the LOP budgets. Three projects expected to be completed at a savings of more than \$1.0 million are listed in the following table.

	Project (Amounts in Thousands)	Forecasted Cost at Completion	Authorized LOP	Variance Over/(Under)
1	203015 170 CMS Engine Rebuild Program - FY08	\$8,907	\$11,000	(\$2,093)
2	202237 Division 18 Solar Energy Project	3,400	5,000	(1,600)
3	204012 Rail Systemwide Safety Improvements	542	2,073	(1,531)
4	Total	\$12,849	\$18,073	(\$5,224)

Additionally, there are two projects currently projecting cost overruns. One of these projects (Lankershim Depot Restoration) will require board authorization for an LOP increase.

	Project (Amounts in Thousands)	Forecasted Cost at Completion	Authorized LOP	Variance Over/(Under)
1	210096 Metro Bus Division CCTV System PHII (DHS)	\$330	\$281	\$49
2	800118 Lankershim Depot Restoration Project	6,000	3,600	2,400
3	Total	\$6,330	\$3,881	\$2,449

### **Major Construction**

Major construction projects include construction of new fixed guideway corridors, new rail car purchases, and other major infrastructure improvements.

The Lankershim Depot Restoration Project (CP#800118) may require a life-of-project budget increase. Bids for the construction contract were higher than anticipated. We are evaluating potential changes in the project design, as well as adding a Customer Service Center. If it is advantageous to go forward with a higher cost project, we will seek Board approval for an increase in the LOP budget.

The Metro Gold Line Eastside Extension Enhancements and Mitigations Project (CP#800288) will construct a 258-parking space structure at the intersection of Pomona and Atlantic Boulevards. An increase to the LOP budget was approved in December.

Detailed information on the major construction projects, such as the Eastside Extension of the Gold Line, is available through individual project reports.

### **Bus Acquisition**

The major bus acquisition project during FY09 was the procurement of 260 45-foot composite buses, CP#201014. The first set of composite shells has been produced, inspected, and shipped to Alabama, where the buses are assembled.

### **Bus Maintenance and Facilities**

The FY09 Bus Mid-Life Program (CP#203006) is a \$24.3 million program to rebuild 188 buses. The Central Maintenance Shops (CMS) completed rebuilding 46 buses during the first quarter of FY09. The FY09 CMS Engine Rebuild Program (CP#203016) is also on schedule with completion of the first 17 of 110 engine replacements during the first quarter.

At the September meeting, the Board approved a \$95 million Life-of-Project budget to construct a new bus operating division adjacent to the Gateway building and MSSC buildings. The Architectural and Engineering contract for the Union Division Project (CP#202001) was awarded by the Board at the December 2008 meeting.

Staff anticipates completion of the MSSC Solar Energy and Electricity Conservation (CP#202252) in August 2009. During the first quarter, solar panel installations were ongoing at Building 1, and 2. During the second quarter, installations began on Buildings 3 and 4.

All other bus projects are forecasted to be completed at, or under, the approved life-of-project budget.

### **Rail Capital Projects**

A total of three P2550 cars from the Light Rail Vehicle Fleet Enhancement (CP#800151) have been conditionally accepted through the first quarter. Two more vehicles are expected to be accepted in the second-quarter. This project has experienced delays and is now expected to be completed in October 2013.

The Expo/Blue Line Light Rail Vehicle Procurement (CP#206035) has not proceeded as planned due to schedule concerns with the base P2550 LRV procurement.

The Division 20 Carwash & Cleaning Platform (CP#204047) bids were received during the first quarter and came in much higher than expected. The bid responses will be evaluated and a determination made to either rebid the job or seek board approval for an increase in the LOP and contract modification authority.

The Subway Railcar Midlife Overhaul (CP#206034) study and specifications are under evaluation due to management decision to initiate work on the Metro Blue Line overhaul first. Q2 plans call for initiating a task order to hire a consultant to develop the specifications for Metro Red Line base and option fleet. The project is expected to be delayed until the specifications are completed.

### **Other Capital Projects**

The Universal Fare System and Regional Clearinghouse Project (TAP) are continuing in FY09, and project management has been reporting on the progress of both projects monthly at Operations Committee meetings.

The Board approved an LOP increase for the Metro Bus Division Behavior Recognition Software project (CP#210095) in September 2008 after the Department of Homeland Security approved a funds transfer from another security program (CP#210096) to cover the cost overrun.

Several projects included in the Warehouse element are projected to be completed under budget. Overall, they experienced a \$100,669 reduction to the total project costs.



## SUMMARY OF GOVERNMENTAL FUNDS

The Governmental funds budget includes Special Revenue and General Fund programs and projects. The Special Revenue Fund includes all sales tax subsidies to other entities including the Local Return Program to Cities, the Formula Allocation Procedure to municipal bus operators, Access Services, Metrolink Operating and Capital, the Incentive Program, and the Call for Projects.

A summary of the activity in the subsidies to others for the first quarter follows:

For the three months ended September 30, 2008

	Description (Amounts in Millions)	Actual	Budget	Variance Over/(Under)
1	A & C Local Return	\$76.9	\$76.1	\$0.8
2	Prop A Bus FAP	18.5	28.8	(10.3)
3	Prop C Bus FAP	2.2	8.8	(6.6)
4	TDA Formula Subsidies	19.1	20.4	(1.3)
5	STA Subsidies	3.3	7.6	(4.3)
6	TDA Other Subsidies	4.7	6.9	(2.2)
7	ASI	8.1	8.5	(0.4)
8	Regional Surface Transportation Projects (CFP)	15.0	11.6	3.4
9	Bus Capital (CFP)	0.4	2.7	(2.3)
10	Freeway Projects (CFP)	3.7	20.2	(16.5)
11	Metrolink	11.9	12.8	(0.9)
12	Immediate Needs;SHORE	0.9	2.6	(1.7)
13	Local Traffic System (CFP)	4.6	5.1	(0.5)
14	Metro Rapid Improvements	-	4.0	(4.0)
15	Soundwalls Program	-	4.1	(4.1)
16	Prop A Incentive	2.0	6.4	(4.4)
17	Regional EZ Pass	1.2	2.4	(1.2)
18	Regional Grantee	0.2	0.7	(0.5)
19	Transit Security	0.3	1.3	(1.0)
20	Misc. Call for Projects	-	-	-
21	Other Planning Projects	0.1	1.1	(1.0)
22	TOTAL	\$173.1	\$232.1	(\$59.0)

Subsidy to others typically experience cash flow delays due to the timing of invoicing from the other entities.

Prop A and Prop C FAP subsidies to municipal operators were \$16.9 million under budget. They are expected to catch up in subsequent quarters and end the year on budget.

Freeway Projects were \$16.5 million under budget, \$12.5 million of which was due to contracts and amendments waiting to be executed. The remaining amount was due to invoice timing.

Prop A Incentive subsidies were \$4.4 million under budget as there has been a delay in invoicing from the Municipal Operators for NTD Reporting and numerous cities are in the procurement process to purchase new vehicles as part of the Incentive Program Bus Replacement Mini-Call process.

STA subsidies were \$4.3 million under budget. The STA subsidies paid out in the first quarter are all for prior year unspent reserves. We have not paid first quarter STA subsidies for the current year since the actual cash receipts were not received until early November.

The Soundwall Programs were \$4.1 million under budget, due to both invoice timing and schedule delays caused by changes to the scope of work being negotiated with Caltrans.

Metro Rapid Improvements were \$4.0 million under budget. Construction and installation of signal systems is on-going, and payment of invoices for work performed during the first quarter is expected during the second quarter. Contract negotiations for station construction with the City of Los Angeles and the County of Los Angeles are underway.

Regional Surface Transportation Projects were \$3.4 million over budget because we paid a large number of invoices for Alameda Corridor-East (ACE) work performed in FY08 which were not received until after the close of FY08 financial reporting, and because work and related expenditures on the ACE project is progressing ahead of schedule in FY09.

The Special Revenue Fund and the General Fund also include budget for work done by us such as planning and programming of funds, and expenditures for Freeway Service Patrol, Service Authority for Freeway Emergencies (SAFE), Internal Auditing, Inspector General, Ethics Office, County Counsel, all lobbying activities and other non-allocable costs. The first quarter account summary for these departments, excluding subsidies (reported separately), is summarized below:

For the three months ended September 30, 2008

(Amounts in Millions)		Actual	Budget
1	Expenditures		
2	Labor	\$ 8.1	\$ 8.6
3	Fringe Benefits	2.9	3.0
4	Professional Services	6.2	19.7
5	Other Services	7.9	16.2
6	Workers' Comp	-	0.1
7	Insurance	0.2	0.1
8	Travel	-	0.1
9	Other including Overhead	3.2	4.2
10	Total Expenditures	\$ 28.5	\$ 52.0

Planning studies were \$9.7 million of \$13.5 million under budget for professional services agency-wide. Planning projects which ran substantially under budget during the first quarter of FY09 include:

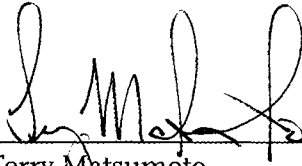
	FY09 Q1 Variance Over/(Under)	Discussion	
1	Canoga Orange Line Extension	(\$2,207,023)	Timing issues with invoices being submitted by Contractor for payment. In addition, PE as of first quarter is under budget. As this is a cost plus fixed fee, we are working with the Contractor to evaluate the needed budget for the remainder of this activity. Any unused funds will be used to accelerate the project construction.
2	Redline Westside Extension	(\$1,459,223)	BOD award of DEIS/DEIR scheduled in January 2009
3	I-710 Project	(\$1,049,336)	After adjustments for accruals, actual variance will be less than \$200,000.
4	Regional Downtown Connector	(\$612,749)	BOD award of DEIS/DEIR scheduled in January 2009
5	Crenshaw Corridor	(\$414,891)	Timing issues with invoices.
6	Wilshire Bus Lane	(\$398,922)	Staff working with City to finalize the Scope of Work
7	Eastside Extension Phase II	(\$238,023)	BOD award of DEIS/DEIR scheduled in January 2009
8	DMU Feasibility Study	(\$231,200)	Timing issues related to invoices.
9	CMP/Air Quality	(\$207,519)	Scope of Work being finalized. Should be going out to bid in 2nd quarter.

### Outlook of Governmental Funds

Both the subsidies to others in the Special Revenue Fund and non-allocable expenses in the General Fund are expected to end the year below the FY09 budget. Lagging sales tax revenues will cause the local return subsidies to cities to end the year under budget. Other subsidies will be paid as work is completed and invoices are received.

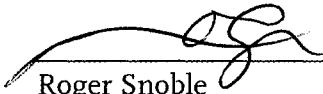
Attachment: Capital Program Status Report

Prepared by: Office of Management & Budget



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Terry Matsumoto  
Chief Financial Services Officer and Treasurer



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Roger Snoble  
Chief Executive Officer



**Los Angeles County Metropolitan Transportation Authority  
Capital Program Variance Report - Life of Project  
FY2009 - 1st Quarter**

**Early Warning for Potential Problems**

**Bus Acquisition**

CP/PIS Project No.	Project Title	Cost to Complete Estimate		Total Forecasted Expenditures	Board Approved Life of Project	Increase/ (Decrease)	Comment
		Inception-to-Date Expenditures	Encumbrance				
200044 ✍	ATV Bus Purchase (Hybrid Vehicles)	2,678,522	2,394,809	5,073,331	4,602,625	470,706	No LOP variance is forecast. Project will be closed at or below stated Board-approved LOP. Issues with encumbrances are being investigated.  Received one of six hybrid vehicles from ISC in San Diego for training and demonstration projects. Second vehicle has also been received at Metro and is being used to develop maintenance and training programs. Third vehicle has been shipped from Anniston.
201011 ✍	94 CNG Articulated Buses	82,032,655	363,028	83,000,000	83,000,000	0	Retrofits and campaigns are lengthier than anticipated due to service needs of these vehicles. Many of these issues are more extensive than originally determined, which will extend repair period one year. Extension will have no impact on LOP.  Metro continues to work on retrofits and fleet defects with the entire articulated bus fleet. Included in this activity are doors, Hubner joints, and chassis frames.
201013 ✍	45-Foot Composite Buses	15,636,288	155,627,228	179,129,959	179,129,959	0	FY09 Q1: First set of compo shells produced, inspected, and shipped from Hungary to Anniston, AL. Eight shells currently on assembly line in Anniston.  FY09 Q2: Shells will continue to be assembled.
201033 ✍	HCNG Demonstration Project	312,187	0	1,258,292	1,258,292	0	Project extended three months for possible reversion of bus to CNG power plant. Original project on hold due to business failure of engine developer. Metro is seeking new developer/partner to move forward with this project.



Los Angeles County Metropolitan Transportation Authority  
 Capital Program Variance Report - Life of Project  
 FY2009 - 1st Quarter

**Early Warning for Potential Problems**  
**Bus Acquisition**




CP/FPS Project No.	Project Title	Cost to Complete Estimate		Total Forecasted Expenditures	Board Approved Life of Project	Increase/ (Decrease)	Comment		
		Inception-to-Date Expenditures	Encumbrance						
201044 2	CNG Articulated Buses, Option	85,561,776	64,697	86,427,426	86,427,426	0	Retrofits and campaigns are lengthier than anticipated due to service needs of these vehicles. Many of these issues are more extensive than originally determined, which will extend repair period one year. Extension will have no impact on LOP.		
							Metro continues to work on retrofits and fleet defects with the entire articulated bus fleet. Included in this activity are doors, Hubner joints, and chassis frames.		
201054	Contract Services Bus Buy	0	18,000,000	18,600,000	18,600,000	0	This has NOT changed from the expected completion date.		
							FY09 Q1: An IFB was issued and a pre-proposal conference was held on 09/29/08. The IFB was advertised on TransitTalent.com as well as sent directly to several bus manufacturers. The costs associated with the advertising were not posted to the accounts before the close of the quarter.		
							FY09 Q2: Due date for bids is 12/19/08. Additionally, minimal costs associated with the advertising of the bid should post to the project.		
<b>Bus Acquisition</b>				<b>186,221,429</b>	<b>176,449,762</b>	<b>10,817,817</b>	<b>373,489,008</b>	<b>373,018,302</b>	<b>470,706</b>



**Los Angeles County Metropolitan Transportation Authority  
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**Early Warning for Potential Problems**

**Bus Facilities Improvements**

CP/FIS Project No.	Project Title	Cost to Complete Estimate		Board Approved Life of Project	Increase/ (Decrease)	Comment
		Inception-to-Date Expenditures	Encumbrance			
		Total Forecasted Expenditures	Balance of Project Costs			
202065 	Articulated Bus Facility Modifications	4,797,510	1,477,369	6,641,000	0	No LOP variance is currently anticipated. Articulated bus facility modifications will continue until articulated modifications are complete. Award of large hoist procurement will determine anticipated completion date of this project.
			366,122	6,641,000		FY09 Q1: Contract C0805, Parallelogram hoist construction / installation and change order at Div. 7 and 18 ongoing and substantially complete. Large Hoist Procurement activities delayed into Q2.
				11,673,000		FY09 Q2: Contract C0805, construction / installation to be completed and engineering signed off. Procurement to continue and Large Hoist Contract, which includes four (4) three-post hoist installations, awarded.
202138 	Division 10 - CNG Fueling Facility	6,729	0	11,673,000	0	The preliminary plan is a public private partnership spanning 10 years.
						FY09 Q1: The project is in the design stage.
						FY09 Q2: The initial administrative processes of procurement are scheduled to commence.
202139 	Division 18 - CNG Fueling Facility	6,933	0	11,100,000	0	The preliminary plan is a public private partnership spanning 10 years.
						FY09 Q1: The project is in the design stage.
						FY09 Q2: The project will move to the procurement stage by the end of Q2.



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**Early Warning for Potential Problems  
Bus Facilities Improvements**

CP/FIS Project No.	Project Title	Inception-to-Date Expenditures	Cost to Complete Estimate		Total Forecasted Expenditures	Board Approved Life of Project	Increase/Decrease	Comment
			Encumbrance	Balance of Project Costs				
202203 <i>ES</i>	In-ground Bus Hoist Replacement -- Phase II	226,244	3,250,000	895,756	4,372,000	4,372,000	0	Completion date to be established upon contract award. Various completion dates are to be considered, as the procurement includes various options which will affect the ultimate end date of the contract.  FY09 Q1: Continued procurement activities for Large Hoist procurement - contract award and NTP deferred to later quarters due to procurement manpower vacancies.  FY09 Q2: Continue procurement for Large Hoist Contract.
202204 <i>ES</i>	Articulated Bus Facility Modifications -- Phase II	2,062,102	1,000,000	317,946	3,380,048	3,380,048	0	No LOP variance anticipated. Completion date to be established upon contract award. Various completion dates are to be considered, as the procurement includes several options which will affect the ultimate end date of the contract.  FY09 Q1: Continued procurement activities for Large Hoist procurement - contract award and NTP deferred to later quarters due to procurement manpower vacancies.  FY09 Q2: Continue procurement for Large Hoist Contract.





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**Early Warning for Potential Problems**

**Bus Facilities Improvements**

CP/FIS Project No.	Project Title	Inception-to-Date Expenditures	Cost to Complete Estimate		Total Forecasted Expenditures	Board Approved Life of Project	Increase/ (Decrease)	Comment
			Encumbrance	Balance of Project Costs				
202239	Division 1, 3, 8, 9 and 15 Renovations	1,912,569	10,299,859	1,507,572	13,720,000	13,720,000	0	Multiple construction contract activity occurring within this CP. Unlike FY CPs, this project will fund multiple division improvement contracts until such time that all funds are expended.
								<p>FY09 Q1: Design completions for the following:            Div. 1--Complete designs for bus washer rebuild and the addition of a 2nd bus washer, for the AC shop enclosure, for extension of the storage canopy, and for extending the tire shop storage. Received bids for contract C0926. Received bids for contract C0924.            Div. 3--Contract award to Metro Builders for \$200K; LEED charrettes completed &amp; mobilized for field work. Div. 8--Ongoing construction under contract C0913 for concrete removals, received bids for contract C0927 to replace and install trench drains and seal coat asphalt pavement at bus parking. Div. 9--completed designs for body shop relocations, for conversion of steam racks to tool box storage, and for the installation of a canopy over a metal bin. Received bids for contract C0922.</p> <p>FY09 Q2: Continue multiple contract workscope at multiple divisions.</p>



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**GA Early Warning for Potential Problems  
Bus Facilities Improvements**

CP/FIS Project No.	Project Title	Inception-to-Date Expenditures	Cost to Complete Estimate		Total Forecasted Expenditures	Board Approved Life of Project	Increase/Decrease	Comment
			Encumbrance	Balance of Project Costs				
202252 <i>GA</i>	MSSC Solar Energy and Electricity Conservation	4,409,044	12,931,233	3,802,723	21,143,000	21,143,000	0	Project completion has been tentatively established at 08/06/2009. Contract is design build tied to performance objectives. As a result, the contractor performs ongoing evaluations of the energy savings as systems are installed. Project shall be completed upon installation of all improvements AND meeting the energy savings criteria of the contract.  FY09 Q1: Reviewed 100% Design. Buildings 1 & 2 solar panel installation ongoing. Arrival of solar panels at Bldgs. 3 & 4 for assembly & installation. Air tank installation at Bldg. 5 completed & AC heat pump controls installation at Bldg. 2 nearly completed.  FY09 Q2: Complete solar panel installation at Bldgs. 1 & 2, commence solar panel installation at Bldgs. 3 & 4. Start replacement of AC units at Bldgs. 1 & 3. Start work on the installation and controls of an Energy Management System (EMS). Lighting replacements to commence in Q2.
202260 <i>GA</i>	Division 3 Master Plan Phases II-IV	0	0	13,200,000	13,200,000	13,200,000	0	Construction completion date is tentatively set at 10/31/2010. Target construction completion date to be established upon completion of design.  FY09 Q1: Design ongoing. FY09 Q2: Complete design and commence procurement. Issue requisition(s) to start the procurement.
202279 <i>GA</i>	Division 9 Bus Yard Expansion	26,532	0	948,468	975,000	975,000	0	Completion date to be established upon completion of design.  FY09 Q1: Design ongoing. Executive management requested that \$500K of project cash flow be deferred to FY10 as a result of FY09 budget shortfalls.  FY09 Q2: Continue design and start procurement.
			13,447,663	28,958,461	43,797,924	86,204,048	0	
<b>Bus Facilities Improvements</b>					<b>86,204,048</b>	<b>86,204,048</b>	<b>0</b>	



Los Angeles County Metropolitan Transportation Authority  
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**Early Warning for Potential Problems**

**Bus Maintenance**

CP/FIS Project No.	Project Title	Inception-to-Date Expenditures	Cost to Complete Estimate		Total Forecasted Expenditures	Board Approved Life of Project	Increase/Decrease	Comment
			Encumbrance	Balance of Project Costs				
203006	FY09 Bus Midlife Program	811,054	0	23,483,132	24,294,186	24,294,186	0	The Central Maintenance Shops (CMS) completed 15 bus midlife overhauls in September for a total of 46 in FY09 Q1. The milestone for Q2 is 47 bus midlife overhauls.
203015	170 CMS Engine Rebuild Program - FY08	8,144,753	762,593	0	8,907,346	11,000,000	(2,092,654)	Manpower shortfall (50% at start of year) and the late arrival of the first prototype for the engine repower caused delays for the development and procurement of the additional parts and components needed to complete installation. Delivery of engines expected to be complete in November. Complete delivery and invoicing of 8.9 engines by end of FY09 Q2.
203016	110 CMS Engine Replacement Program - FY09	899,166	1,711,525	4,535,041	7,145,732	7,145,732	0	No LOP variance forecasted at this point. Seventeen engine replacements not part of the Midlife Project were completed as of the end of September. The majority of this project (93 replacements) to be completed in remaining quarters of FY09.
<b>Bus Maintenance</b>		<b>9,854,974</b>	<b>2,474,118</b>	<b>28,018,172</b>	<b>40,347,264</b>	<b>42,439,918</b>	<b>(2,092,654)</b>	



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**Early Warning for Potential Problems**

**Warehouse**

CP/FIS Project No.	Project Title	Cost to Complete Estimate		Total Forecasted Expenditures	Board Approved Life of Project	Increase/ (Decrease)	Comment
		Inception-to-Date Expenditures	Encumbrance				
209007	Automate Bulk Storage Area	6,842	0	1,029,000	1,029,000	0	The Automate Bulk Storage Area project is on-hold pending schedule finalization of the 490 Bauchet Street Storage and Facilities Maintenance Structure (CP 202246 under the Bus Facilities Improvement element). The procurement process for CP 202246 is scheduled to commence during the 2nd Q FY 2009.
209038	Covered Awning for Wayside Systems Warehouse	305	0	326,602	326,602	0	1st Q FY 2009: The SOW was finalized; the location for the new covered awning has been identified as the future site of the new/replacement Gold Line Warehouse. The project is temporarily delayed pending final decision regarding re-location of Gold Line Warehouse construction project to Redline Wayside Systems location.
<b>Warehouse</b>		<b>7,147</b>	<b>0</b>	<b>1,348,455</b>	<b>1,355,602</b>	<b>0</b>	



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**Early Warning for Potential Problems  
Wayside Systems**

CP/FIS Project No.	Project Title	Inception-to-Date Expenditures	Cost to Complete Estimate		Total Forecasted Expenditures	Board Approved Life of Project	Increase/Decrease	Comment
			Encumbrance	Balance of Project Costs				
205017 <i>GA</i>	MRL Seg-1 Remote Terminal Unit (RTU) Upgrade	2,287,578	0	357,422	2,645,000	2,645,000	0	FY09 Q1: Cut-over was delayed due to an emergency priority updating of the TRACS software to distinguish Wilshire/Western and the North Hollywood destination codes. Completed the back-up of the front end processors on the SCADA System for the Red Line. Integration testing was 95% completed.
<b>Wayside Systems</b>		<b>2,287,578</b>	<b>0</b>	<b>357,422</b>	<b>2,645,000</b>	<b>2,645,000</b>	<b>0</b>	FY09 Q2 (planned): Complete the integration testing and cut-over of one station.



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**Projects Require Mitigating Actions**

**Bus Acquisition**

CP/FIS Project No.	Project Title	Inception-to-Date Expenditures	Cost to Complete Estimate		Total Forecasted Expenditures	Board Approved Life of Project	Increase/ (Decrease)	Comment
			Encumbrance	Balance of Project Costs				
201034 Pd	Study: 45' Composite Buses for 2008	130,858	0	375,142	506,000	506,000	0	Metro continues to work with NABI to develop new technology in bus construction materials. Technology includes chemical compounds, molding techniques, and material reinforcement.
201049 Pd	Hybrid Articulated Bus Demonstration	0	0	200,000	200,000	200,000	0	Project delayed. We are recommending moving this project to a new fiscal year.
<b>Bus Acquisition</b>		<b>130,858</b>	<b>0</b>	<b>575,143</b>	<b>706,000</b>	<b>706,000</b>	<b>0</b>	



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**Projects Require Mitigating Actions  
Bus Facilities Improvements**

CP/FIS Project No.	Project Title	Cost to Complete Estimate		Board Approved Life of Project	Increase/ (Decrease)	Comment
		Inception-to-Date Expenditures	Encumbrance			
202007 R	In-ground Bus Hoist Replacement	7,749,305	436,941	8,281,000	0	No LOP variance anticipated. No completion date has been set for the project as project management plans for the utilization of all LOP funding to meet division hoist needs as required.  FY09 Q1: Contract C0805 - Div. 3 multiple bays workscope completed. Contract in closeout. Ongoing procurement for 2-post hoist installation for Div. 8.  FY09 Q2: Ongoing large hoist procurement which includes the 2-post hoist installation at Div. 8.
202220 R	Alternate Division Site Study	229,160	130,396	975,000	0	No completion date established for this project while studies remain ongoing. Construction completion dates will be established upon completion of engineering.  FY09 Q1: Environmental studies ongoing for LAX bus division; site concepts completed.  FY09 Q2: Environmental studies ongoing for LAX bus division; award EIR contract.
202246 R	Bauchet Street Storage and Facilities Maintenance Structure	4,318,696	6,513,434	12,925,000	0	Project completion date will be established upon the anticipated contract award of the redesigned facility. Should a Board Report be required to establish a revised LOP, the expected completion date shall be included in the report.  FY09 Q1: Redesigning Bauchet Street facility completed. Commence procurement activities.  FY09 Q2: Procurement activities; advertise the redesigned Bauchet Street project.
<b>Bus Facilities Improvements</b>		<b>12,297,161</b>	<b>7,080,771</b>	<b>22,181,000</b>	<b>0</b>	



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**Projects Require Mitigating Actions**

**Major Construction**

CP/FIS Project No.	Project Title	Inception-to-Date Expenditures	Cost to Complete Estimate		Total Forecasted Expenditures	Board Approved Life of Project	Increase/Decrease	Comment
			Encumbrance	Balance of Project Costs				
206035 R	Expo/Blue Line Light Rail Vehicle Procurement	19,758	0	174,480,242	174,500,000	174,500,000	0	FY09 Q1: Operations Management continued to evaluate and restructure plans to better address Metro's future vehicle fleet needs.  FY09 Q2 (planned): Operations Management plans to negotiate an extension of the Option One date and consider various alternatives available for future vehicle procurement.
800118 R	Lankershim Depot Restoration Project	497,843	59,530	5,442,628	6,000,000	3,600,000	2,400,000	Q1 FY 09: Revised scope of work Q2 FY 09: Project cannot be completed within current LOP budget. Alternative options will be considered.
800288 R	MGL Eastside Extension Enhancements	22,270,577	11,563,421	8,783,001	42,617,000	42,617,000	0	1st Qtr. FY09: Received bids for the Pomona/Atlantic parking structure; they exceeded the budget. 2nd Qtr. FY09: Mitigation actions or Board approval will be required to move forward with award.
<b>Major Construction</b>		<b>22,788,177</b>	<b>11,622,951</b>	<b>188,705,872</b>	<b>223,117,000</b>	<b>220,717,000</b>	<b>2,400,000</b>	





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**Projects Require Mitigating Actions**

**Other Capital Projects**

CP/FIS Project No.	Project Title	Cost to Complete Estimate		Total Forecasted Expenditures	Board Approved Life of Project	Increase/ (Decrease)	Comment
		Inception-to-Date Expenditures	Encumbrance				
210014 PB	Replace Two Color Printing Press	2,893,973	263,237	3,404,000	3,404,000	0	FY09 1Q: 1) Vendor notified MTA that they would need additional funds to complete the press 2) Two site visits to the vendor site were conducted with project staff, Procurement and MASD 3) MASD completed audit report 4) received report from vendor on additional funds and time needed to complete the press 5) Cure letter sent to vendor and 6) Vendor replied to cure letter to indicate a possible merger that could enable completion and delivery of press without additional funds; FY09 Q2: determine next steps.
<b>Other Capital Projects</b>		<b>2,893,973</b>	<b>263,237</b>	<b>3,404,000</b>	<b>3,404,000</b>	<b>0</b>	



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**Projects Require Mitigating Actions**

**Rail Facilities Improvements**

CP/FIS Project No.	Project Title	Cost to Complete Estimate		Total Forecasted Expenditures	Board Approved Life of Project	Increase/ (Decrease)	Comment
		Inception-to-Date Expenditures	Encumbrance				
204047 P	Division 20 Carwash & Cleaning Platform	774,550	12,068,359	15,400,000	15,400,000	0	FY09 Q1: Completed the car wash specifications and drawings. Bids were submitted during this quarter and came in much higher than expected.  FY09 Q2 (planned): The bid responses will be evaluated and a determination made to either rebid the job or seek board approval for an increase in the LOP and contract modification authority.
204053 P	Division 21 Improvements - Phase II	708,674	1,010,839	5,000,000	5,000,000	0	Change in completion date due to City Council's request to move building location.  FY09 Q1: Completed survey and geotechnical work. New storage building location was determined to be next to the existing MOW Building B at Division 20. The City Council would not approve an additional building at Division 21; the building costs are the same for either location.  FY09 Q2 (planned): Project will be done in two phases. Phase 1 - Storage Bldg.: The LOP budget for this project was based on conceptual design for a design-build project, staff will estimate the cost of the project once design is complete, and request LOP increase if additional funding is required. Phase 2 - Body Shop: Continue design work until 3rd quarter (Eastside LRT Partners). Eastside LRT project will design the body shop and pay for 20% of the total cost due to fleet requirements for Eastside project.  This project will be going to the board as a design/build project, and will be transferred under the auspices of Construction under Dennis Mori.



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**Projects Require Mitigating Actions  
Rail Facilities Improvements**

CP/FIS Project No.	Project Title	Inception-to-Date Expenditures	Cost to Complete Estimate		Total Forecasted Expenditures	Board Approved Life of Project	Increase/Decrease	Comment
			Encumbrance	Balance of Project Costs				
204059	Division 22 Spray Paint Booth	143,490	70,000	0	213,490	324,476	(110,986)	FY09 Q1: The present project will be cancelled and the expenditures to date will be reversed from capital to operating expenses. Unused funds will be reprogrammed into the FY10 Capital Program. FY09 Q2 (planned): A new project that will best serve the expanded fleet for Eastside, Expo, Blue and Green lines will be submitted for approval at a future date.
204082	UPS System & Backup Generator for Loc 61 - Bldg A	11,494	114,178	248,933	374,605	374,605	0	FY09 Q1: Completed readiness review meeting. Staff shortage necessitated hiring outside firms to perform the work and supply the materials. The expected completion date will be delayed 6-9 months for the procurement process and another 6-9 months for the vendor to build the equipment as specified.
204092	Metro Blue Line Median Fencing along Long Beach Blvd	7,832	462,652	154,517	625,000	625,000	0	FY09 Q2 (planned): Submit the scope of work that now includes both labor and materials to Procurement in October. FY09 Q1: During the installation process, it was discovered that the fence was too close to several manhole covers. There will be a delay in the project while Metro identifies the manholes in question. FY09 Q2 (planned): Have Traction Power identify and mark the manholes in question and have the Long Beach Contractor perform the necessary modifications. Once work is complete, the City of Long Beach will submit a final invoice to Metro. The delay caused a change in the scheduled completion date for the project, but should not impact the authorized LOP.
<b>Rail Facilities Improvements</b>							<b>(110,986)</b>	
					<b>21,613,095</b>	<b>21,724,081</b>		



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**Projects Require Mitigating Actions  
Rail Rehabilitation**

CP/FIS Project No.	Project Title	Inception-to-Date Expenditures		Cost to Complete Estimates		Total Forecasted Expenditures	Board Approved Life of Project	Increase/Decrease	Comment
		4,021	0	0	0				
211007	MGL Fibermux Communication System Rehabilitation	4,021	0	0	0	4,021	610,000	(605,979)	FY09 Q1: It was decided to cancel the project and include the scope of work in a larger Signal Rehabilitation Project that is currently in development. It was discovered that the current equipment that was being replaced will be obsolete in the next three years so a complete new system is being considered instead.
									FY09 Q2 (planned): Complete project closeout. The expenses to date of \$4,020.87 will be reversed and charged to Metro Green Line Operating expense. The project will be underspent by approximately \$606K. The unspent funds will be reallocated into the FY10 Capital Program.
211010	Escalator/Elevator Modernization Program - Civic Center Station	6,617	0	11,993,383	0	12,000,000	12,000,000	0	Project completion date to be established upon completion of design.
									FY09 Q1: Project staff met with Rail Division to coordinate possible concurrent activities on the MRL Canopy Project in design. The coordination resulted in agreement that the Escalator/Elevator Modernization would be led by Rail Engineering staff with escalator/elevator related approvals to be provided by Bus Division staff. Design evaluations concluded that a four escalator configuration is not possible due to site constraints.
									FY09 Q2 (planned): PM staff to respond to Design findings. Refurbishment of existing escalator shall be performed under Vertical Systems Project Manager. Estimate for refurbishment to be developed. Civic Center Canopy project will be consolidated into the entire Red Line canopy project (CP204006).
<b>Rail Rehabilitation</b>		<b>10,638</b>	<b>0</b>	<b>11,993,383</b>	<b>0</b>	<b>12,004,021</b>	<b>12,610,000</b>	<b>(605,979)</b>	



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**Projects Require Mitigating Actions**  
**Rail Vehicle Maintenance**

CP/FIS Project No.	Project Title	Inception-to-Date Expenditures	Cost to Complete Estimate		Total Forecasted Expenditures	Board Approved Life of Project	Increase/Decrease	Comment
			Encumbrance	Balance of Project Costs				
206005 R	P2000 Vehicle Signaling Package Upgrade	240,100	6,252	3,117,648	3,364,000	3,364,000	0	FY09 Q1: This project had been on hold as management reevaluated it in light of future operating requirements and a new project manager was assigned. The project hold was lifted this quarter. It is now projected that eight P2000 cars will be moved from the Gold Line to the Green Line sometime in FY10. The expected completion date of the project has slipped, but should not impact the project's authorized LOP budget.  FY09 Q2 (planned): Detailed plans for continuing to transfer P2000 vehicles to the Metro Green and Blue lines will continue to be developed.
<b>Rail Vehicle Maintenance</b>							<b>0</b>	



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**Projects Require Mitigating Actions**  
**Security**

CP/FIS Project No.	Project Title	Cost to Complete Estimate		Board Approved Life of Project	Increase/ (Decrease)	Comment
		Inception-to-Date Expenditures	Encumbrance			
210095	Metro Bus Division Behavior Recognition Software (DHS)	38,366	297,885	754,000	0	Q1: Bids for installation of required equipment came in higher than anticipated. Q2: The Board approved an increase in the LOP in the amount of \$427,137. The Executive Investment Committee approved the reprogramming of \$427,137 in project saving from CP 210096.
<b>Security</b>		<b>38,366</b>	<b>297,885</b>	<b>754,000</b>	<b>0</b>	



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Projects Require Mitigating Actions  
 Wayside Systems

CP/FPS Project No.	Project Title	Cost to Complete Estimate		Total Forecasted Expenditures	Board Approved Life of Project	Increase/ (Decrease)	Comment
		Inception-to-Date Expenditures	Encumbrance				
205001	Fiber Optic Rail Communication System	1,337,356	1,450,499	3,011,000	3,011,000	0	FY09 Q1: The bid evaluations were completed. The vendor material quotations were received. Pricing was much higher than expected. Procurement held de-briefing with vendors to determine reasons for the higher than expected pricing. Procurement de-briefing process caused a delay in the vendor qualification process.
205012	MBL Four-Quadrant Gate Program Expansion	4,662,355	232,217	5,075,306	5,655,000	(579,694)	FY09 Q2 (planned): Negotiations will continue to attempt to mitigate possible cost overruns.  One of the gates is too long for the height of the surrounding infrastructure (at Alondra, during windy conditions, the light signals are low enough and close enough that when they swing, they interfere with the operation of the gates). A change order had to be issued to redesign the gate. The PUC must approve the redesigned gate. The project will still be completed under budget.  FY09 Q1: The contractor completed testing the four quadrant gate system at the 5 intersections in Compton. A punch list of corrective actions was developed and provided to the contractor. 80% of the punch list tasks were completed in Q1. Close out of the design contract with PB Farradyne was initiated. The Contract Administrator and Resident Engineer negotiated all previous Change Notices prior to issuing the RFP for the Alondra Work.  FY09 Q2 (planned): The contractor should complete the punch list. The Alondra Gate work is scheduled for completion in Q3. The project is expected to complete underspent by approximately \$580K. The unused funds will be reprogrammed into the FY10 Capital Program.



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**Projects Require Mitigating Actions**  
**Wayside Systems**

CP/FIS Project No.	Project Title	Cost to Complete Estimate			Board Approved Life of Project	Increase/ (Decrease)	Comment
		Inception-to-Date Expenditures	Encumbrances	Balance of Project Costs			
205014	Light Rail Train Tracking Improvements	333,459	180,516	441,826	955,801	0	FY09 Q1: Reviewed proposals for General Engineering Consultants (GEC) systems work bench. Installation has been delayed by an Audit department review of the price proposals which generally takes 6-8 weeks. 35% of the train tracking equipment was received.
							FY09 Q2 (planned): Receive remaining 65% of train tracking equipment (sensor enclosures and cover plates). Begin installation and field testing at 3 of 8 stations. The project delay will not impact the project's authorized LOP budget.
205034	New PGL Traction Power Sub-Stations	8,152,748	262,382	285,869	8,701,000	0	Construction related delays have added one year to the estimated completion date, but will not impact the project's authorized LOP budget.
							FY09 Q1: Completed the facade installation at the Corson/Fairview sites. Staff was unable to energize the Fairview traction because there was no telephone communication between the substation and Regional Rebuild Center. Activating the power substation required approval from Pasadena Fire and Pasadena Water & Power. Pasadena Fire requires a fire control panel in the substation. Staff prepared the necessary design requirements.
							FY09 Q2 (planned): Submit the design requirement to the Fire Department for approval. After design approval, Pasadena W&P will connect the power to the Corson/Fairview substations. It will be necessary to issue a change order to compensate the contractor for the delay plus a construction delay caused by an asbestos problem at the Corson site that prevented us from obtaining a city permit.





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Projects Require Mitigating Actions  
 Wayside Systems

CP/FIS Project No.	Project Title	Inception-to-Date Expenditures		Cost to Complete Estimate		Total Forecasted Expenditures	Board Approved Life of Project	Increase/Decrease	Comment
		569,125	0	168,875	738,000				
205037	MRL Signal System Upgrade					738,000	738,000	0	This project will be assigned to the Project Management Assistance (PMA) bench which will cause a delay in the expected completion date, but will not impact the project's authorized LOP budget.
									FY09 Q1: The scope of work for the track circuit work was delayed and is being re-evaluated due to obsolescence of the existing equipment. The consultant evaluated the situation and began preparing a recommendation. The J-Relay closeout will be delayed until the warranty expires.
									FY09 Q2 (planned): The consultant will submit the recommendation; staff will evaluate the alternatives and develop a scope of work. Intend to complete the scope of work for the Project Management Assistance (PMA) bench.
205047	SCADA Interface for PGL UPS Alarms	24,869	0	5,131	30,000	30,000	30,000	0	FY09 Q1: The project was delayed by an insufficient power issue at the French station which prevented work on the communication interfaces and the SCADA software modifications. The latest power issue combined with delays from prior quarters caused by staffing issues and unexpected field conditions have led to a cumulative delay of nine months, but the delays are not expected to impact the project's authorized LOP budget.
									FY09 Q2 (planned): Staff will continue to focus on resolving the power (transformer) issues. Once completed, an additional transformer will be added to the French station.



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**Projects Require Mitigating Actions**  
**Wayside Systems**

CP/FIS Project No.	Project Title	Cost to Complete Estimate		Total Forecasted Expenditures	Board Approved Life of Project	Increase/ (Decrease)	Comment
		Inception-to-Date Expenditures	Encumbrance				
205076 R	SONET Fiber Optic Cable Transmission System Installation	5,237	433,000	1,300,000	1,300,000	0	FY09 Q1: Developed scope of work and prepared the option package for procurement. Received bids. Pricing received was much higher than anticipated.  FY09 Q2 (planned): Negotiate with vendors for lower pricing. If unsuccessful, evaluate alternatives given the higher pricing for materials.
<b>Wayside Systems</b>		<b>15,085,149</b>	<b>2,558,614</b>	<b>19,811,107</b>	<b>20,390,801</b>	<b>(579,694)</b>	