

February 11, 2000



TO: BOARD OF DIRECTORS
FROM: CHARLES W. STARK *CWS*
EXECUTIVE OFFICER CONSTRUCTION

Los Angeles County
Metropolitan
Transportation
Authority

**SUBJECT: VEHICLES ACQUISITION PROJECT CONTRACT NO. P2000
LOS ANGELES STANDARD LIGHT RAIL VEHICLE
CURRENT CONTRACT STATUS**

ISSUE

To respond to Director Burke's request for an update on the status of the P2000 contract with Siemens Transportation Systems (STS) for delivery of Light Rail Vehicles.

BACKGROUND

Siemens Duewag Corporation of Sacramento was contracted in February 1994 to manufacture 74 Standard Light Rail Vehicles (LA Car) for \$205 million under contract number P2000.

The vehicles were to be universal vehicles to be used on all MTA light rail lines, including the Metro Blue Line, the Metro Green Line, the Pasadena Blue Line, and planned extension of these lines. Specifications required also that these vehicles be compatible and run in-train with existing Metro Blue Line Vehicles (P865) and Metro Green Line start-up Vehicles (P2020).

Some of the features of the P2000 contract are:

- STS was required to have approximately 92% US content (current progress is at 86.9%). The DBE goal was 20.09%, equating to approximately \$32 million (current progress is at \$30.5 million). The majority of DBE content was to be expended in Los Angeles County.
- STS has established a carshell manufacturing plant in Carson to promote local employment and transfer of transit technology from abroad to Southern California.
- The vehicles are powered by more reliable state-of-the-art AC propulsion systems.

In August 1995, as part of the MTA's cost containment program, the Board reduced the quantity of cars from 74 to 52 at an estimated revised contract value of \$160 million. (excluding economic price adjustment (EPA)). STS has submitted a termination claim of \$10.0 million for the cancellation of the 22 cars. To date, \$90.6 million plus \$12.2 million (EPA) has been paid to STS.

The original contract schedule provided for delivery and acceptance of the cars to commence in the 32nd month (October 1996) with completion scheduled for the 56th month (October 1998).

The Contract is now in the 72nd month and STS is working toward delivering the first vehicle for MTA acceptance shortly. In January 1998, Siemens shipped the first car to the Metro Green Line yard in Hawthorne where design conformance testing was conducted. To date some twenty one (21) cars have been shipped to the yard, however, none have been presented (Delivered) to the MTA for Acceptance. Primary cause for the delay in delivery of the cars for acceptance was attributed to the propulsion and braking systems which required software fine-tuning to perform to specification requirements. Siemens also encountered various other problems in testing the cars to demonstrate specification compliance, with significant progress now being made toward the goal of first car conditional acceptance by March 15, 2000. Currently, STS has completed all but two of the design conformance tests and the results are being evaluated. Based on delays in delivery, Siemens is potentially liable for approximately \$16 million in liquidated damages.

Some of the issues that STS is addressing include design conformance final approval, heating, ventilating and air conditioning unit improvements, slide control system optimization, paint blistering repairs and cab console quality improvement. Furthermore, MTA supplied Radio equipment and the Train Control System (contracted to Union Switch and Signal under H1100 contract) must be tested and approved after acceptance of a vehicle from STS before MTA is able to use the vehicle for burn-in and safety preparation prior to revenue service. MTA is currently processing a procurement for the automatic train control on-board signal systems which will enable the vehicles to operate on the non-MGL Lines.

New STS management has made commitments to expedite the resolution of remaining open items and provided additional resources which resulted in significant progress in addressing and resolving many of the performance issues and concerns. Staff is reviewing test results to determine the suitability for operation of the vehicles on a Conditional Acceptance basis per Contract Provisions. This process will continue for the next several weeks until the first vehicle is accepted. MTA will then approve final acceptance after the remaining cosmetic and non-operational items have been completed and closed out by STS.

Staff is working with STS and Consultants to expedite the Acceptance of the first 15 vehicles for operation on the Metro Green Line by July 2000.

Prepared by: Tom Butler