



May 5, 2000

Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
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TO: BOARD OF DIRECTORS

FROM: CHARLES W. STARK *CWS*
EXECUTIVE OFFICER CONSTRUCTION

**SUBJECT: VEHICLES ACQUISITION PROJECT CONTRACT P2000
LOS ANGELES STANDARD LIGHT RAIL VEHICLE
SUPPLEMENT TO THE BOARD BOX MEMO, DATED
FEBRUARY 11, 2000, ON CURRENT CONTRACT STATUS**

ISSUE

To respond to concerns expressed by Board members' staff on the application of warranty.

BACKGROUND

On March 9, 2000, Construction staff gave a briefing on the P2000 current contract status to Board members' staff. The briefing had been requested by the Board members' staff in order to obtain additional information and insight on the subject which had been recently reported in a Board Box memo dated February 11, 2000.

The only unresolved issue from the briefing was concern regarding application of warranty in relationship to conditional acceptance and revenue service.

Following are verbatim excerpts from the P2000 contract Warranty Provision GC-11.0 and Vehicle Acceptance Provision SP-18. These excerpts define the relationship between warranty, conditional acceptance and revenue service. The relationship between the timing of the warranty and planned conditional acceptance is addressed following the excerpts.

CG-11.0 - WARRANTY

11.1 Components

The Contractor shall warrant:

- a) The structure of the car body, underframe, support brackets, and the truck frames, axles, and the exterior painting for a period of five (5) years from the date each car is accepted by the LACMTA.

- b) All other parts, except Spare Parts, for a period of three (3) years from the date each car is accepted by the LACMTA or two years after placement into revenue service, whichever comes first.
- c) Spare parts for two (2) years from the date of installation, but not to exceed three years after delivery.
- d) Special tools and test equipment for a period of three (3) years from the date of acceptance.

SP-18 - VEHICLE ACCEPTANCE

On conditional acceptance into revenue service, warranty starts to run on all parts, except those requiring corrective action.

As part of negotiations for conditional acceptance, staff plans to negotiate with contractor a delay in warranty period start to the final acceptance date of each vehicle.

The projected start date for introducing the P2000 vehicles into revenue service on the Metro Green Line is June 24, 2000 when the operation of Metro Green Line is transferred from Metro Blue Line shop to Metro Green Line shop. Staff is working with Siemens and Consultants so that MTA conditional acceptance can commence as soon as Siemens has submitted a corrective action plan for all remaining open items which is acceptable to the MTA.

Prepared by: Tom Butler