



ITEM ID: 2024-340-0

TRANSMITTAL DATE: December 6, 2024

MEETING DATE: December 13, 2024

TO: Board of Directors

FROM: Justin Fornelli, Chief, Program Delivery

SUBJECT: Capital Program Status Report

Issue

Staff is providing an update on the progress of the Authority's Capital Program, including the Southern California Optimized Rail Expansion (SCORE) Program and the State of Good Repair Program.

Recommendation

Receive and file.

Strategic Commitment

This report aligns with the Strategic Business Plan commitment of:

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair and investing in the development of our employees. The report provides our Board with timely updates on the progress of the Capital Program. The new capital program, including SCORE, adds to the safety, expansion, and growth of the system while the State of Good Repair Program ensures the safety and reliability of the Authority's existing assets.

Background

The Capital Program consists of two major components: New Capital Projects and State of Good Repair (SoGR) Programs. The Authority's Capital Program, outside of SCORE, is

budgeted annually, and projects are typically delivered over multiple years. Funding for capital projects is provided by Member Agencies through the annual budget process. The Authority also applies for local, state, and federal funds for additional SoGR and New Capital Projects.

New Capital Projects expand railroad infrastructure and improve the customer experience, including items such as new sidings, safety enhancements to grade crossings, modernizing signal and communication systems, and new rolling stock.

The SoGR Program addresses existing capital assets to keep them in a state of good repair through activities such as:

- Rehabilitation of tunnels, bridges, and culverts
- Replacement of worn ties and rail
- Replacement of worn or outdated signal system components
- Programmed rehabilitation of rolling stock components such as car door operators and heating/ventilation/air conditioning (HVAC), and mid-life overhaul of rail cars and locomotives

All project progress is tracked through the Authority's project reporting system, which is maintained by Program Management Oversight (PMO) department. Regular meetings are held with project managers to review the progress of active projects. Staff also prepare quarterly project expenditure forecasts to estimate cash flow requirements.

As part of the PMO's effort to improve its reporting and tracking capabilities, key performance indicators (KPIs) have been developed and are included in this report.

This item has been updated to reflect financial expenditures through September 30, 2024, while project schedule and status are up to date as of end of November 2024.

Discussion

Key Activities

Since the last Capital Program Status Update, multiple key accomplishments were achieved, as follows:

SCORE Program:

- Antelope Valley Line
 - Balboa Double Track Extension Project - commenced engagement with property and utility owners
 - Canyon Siding Project – completed 100% design comment resolution
 - Lancaster Terminal Improvements Project – commenced and advanced the 100% design submission
- Orange County Line
 - Signal Respacing La Palma to Avery Project - commenced and progressed construction
- San Bernardino Line
 - Cogswell Rd Grade Crossing Project - completed 60% design

- Ventura County Line
 - Completed 100% design on the Sequoia Avenue Grade Crossing Project.
- General
 - Evaluated contractors' proposals for prequalification to construct SCORE projects.

Construction has been completed on the SCORE Early Start projects, which required little to no environmental clearance or right-of-way acquisitions. These projects were completed under budget, with a total cost savings of \$11 million. Efforts advancing the remaining Metrolink-led SCORE projects continue with design documents nearing completion. With substantial completion of design, the Authority has a better forecast of right-of-way acquisitions and utility relocations that are needed for each project and the associated costs and duration to complete. As previously reported to the Board, we continue to estimate a funding gap in aggregate for the SCORE program of approximately \$300 million. This is primarily due to inflation and material/construction cost escalations experienced across the construction industry since the pandemic. The Authority has also experienced higher-than-expected right-of-way acquisition and utility relocations and their associated costs. It should be noted that a majority of the budgets for Metrolink-Led SCORE projects were established prior to the onset of the pandemic. The Authority has completed value engineering efforts as a cost containment measure and has applied for additional grants with limited success to help address the funding gap.

Authority staff have engaged with CalSTA staff to determine strategies to advance the SCORE program in light of the funding gap. Staff are working with CalSTA to review the operational benefits of the entire SCORE program, how each project helps meet those operational goals, how projects are phased, and the delivery timeline to complete individual projects. This effort requires coordination across multiple Authority departments, including Program Delivery, Planning, Grants, and Strategy.

State of Good Repair Program:

- Bombardier Passenger Car Rebuild – (50 cars currently funded for refurbishment):
 - Thirty-six (36) cars have been delivered to LA, of which thirty-four (34) are in service.
 - Fourteen (14) cars are in the Milwaukee factory undergoing rebuild.
 - 6 more cars to be delivered by Dec 2024.
- On-Board Train Control Systems Rehabilitation:
 - Train Management Computer (TMC) Upgrade: All operation locomotives have been upgraded to TMC-5. Eight (8) remaining TMC's to be upgraded. Estimate time of completion to be end of 2024.
 - Global Positioning System Upgrade: Pilot phase in works which consists of upgraded one of each model of SCRRA rolling stock fleet. Upgrade process to take an approximately 2 years on all operational units.
- Rolling Stock State of Good Repair:
 - Rotem HVAC Overhaul: 80 of 136 units overhauled.
 - Bombardier HVAC Overhaul: 172 of 180 HVAC units overhauled.
- SoGR Track, Structures, & Signal Projects by Line:
 - Antelope Valley Line
 - Wood tie to concrete tie conversions started in Jan 2024 at select locations
 - Tunnel 25 Feasibility study shared with LA Metro.
- Ventura Line
 - Additional signal design CTOs are in progress with design completed in June 2024

- and work planned to be complete by Dec 2025.
- Negotiations and final agreement for IFB Documentation phase completed of Pacific Surfliner Corridor Rehabilitation and Reliability Project: NTP has been issued for IFB Packaging
- Orange Line
 - Verdugo Crossing house rehab delayed due to material procurement issues and has been rescheduled for Nov 2024.
- San Bernardino Line
 - Additional signal Construction CTOs are in progress with anticipated construction completion dates from Dec 2024 to Dec 2025.
- Perris Valley Line
 - Signal design CTO completed Jun 2024. RFP development has been started for signal installation work at Riverside switch.
- River Corridor
 - 90% design for Arroyo Seco Bridge to complete by Nov 1, 2024.
 - Soto St Bridge Construction completed in June 2022 and is currently in closeout phase.
- SoGR Communication Systems Projects
 - WMS Upgrade to be installed across all subdivisions and was expected to be completed by October 2024 has now been pushed to December 2024
 - Valley: Designs for VHF Radio Upgrade and CIS Upgrades at Sun Valley, Acton, Newhall, Sylmar, Burbank Downtown Station and Glendale Stations are all in-progress; Santa Valley: Designs for VHF Radio Upgrade and CIS Upgrades at Sun Valley, Acton, Newhall, Sylmar, Burbank Downtown Station and Glendale Stations are all in-progress; Santa Clarita Station CIS Upgrade is in construction.

Attachment A provides an overview of the Authority’s project portfolio as well as more detailed status by project type.

Quarter Ended September 30, 2024, Performance Summary

New Capital Projects

The latest performance results for the Authority are included in the following summaries. Table 1 below provides a summary of major New Capital Projects currently in progress, excluding \$1.09 Billion of SCORE funding secured by the Authority and other agencies that will be performed by entities other than the Authority.

Table 1. Capital Program by Department (\$K) (Active Projects Only)

PROJECT CATEGORY	BUDGET	EXPENDED	BALANCE
Capital PTC / CRISI Grants (Communications)	\$16,076	\$10,477	\$5,598
Track, Structures, & Signals	\$101,932	\$23,489	\$78,443
SCORE (SCRRA)	\$783,358	\$98,169	\$685,189
F125 Locomotive Procurement (Rolling Stock)	\$279,104	\$278,061	\$1,043

Miscellaneous Capital Equipment (Facilities)	\$17,612	\$8	\$17,604
Other (IT)	\$12,778	\$1,911	\$10,867
Pacific Surfliner Corridor Rehabilitation	\$11,953	\$28	\$11,925
TOTAL	\$1,222,812	\$412,144	\$ 810,669

Note: Numbers may not sum to total due to rounding.

SoGR Program

The adjusted currently funded SoGR Program budget for the period of FY2016-17 through FY2023-24 is \$613 million (including reprogrammed projects of \$119 million). SoGR projects are primarily delivered over a four-year period within the departments of Program Delivery, Operations, Information Technology and Customer Experience. Reprogrammed projects are created when projects completed under budget have remaining funds and are transferred to new projects. The new projects are referred to as reprogrammed projects.

SoGR Project Status

From FY2017-18 through September 30, 2024, the Authority completed and closed 104 SoGR Projects totaling \$78 million in expenditures.

Table 2 summarizes the progress of SoGR Projects as of September 30, 2024. Current Budget for fiscal years FY2021-22 thru FY2023-24 are the approved budgets. It should be noted that due to delays in processing all FTA funding applications, the FY23 all share projects were delayed initiating.

Table 2. SoGR Project Status for Active and Completed Projects Fiscal Years 2017-18 to 2023-24 and Reprogrammed Projects (\$K)

YEAR OF ADOPTION	¹ CURRENT BUDGET	² EXPENDED	BALANCE
FY2017-18	\$44,384	\$40,763	\$3,621
FY2018-19	\$91,410	\$60,787	\$30,622
FY2019-20	\$64,352	\$51,474	\$12,878
FY2020-21	\$54,110	\$28,485	\$25,624
FY2021-22	\$63,525	\$22,742	\$36,113
FY2022-23	\$94,445	\$13,434	\$75,841
FY2023-24	\$129,805	\$1,501	\$124,210
Reprogrammed	\$119,186	\$105,115	\$14,071
³ Total	\$661,217	\$324,303	\$322,980

Notes:

1. When a project is closed or reprogrammed, the baseline budget is replaced with actual expenditures to reflect 100% of the budget being used. This adjusted budget for closed and reprogrammed projects along with the baseline budget of active projects make up the current budget.
2. Expended amounts on Table 2 are for paid and accrued invoices and do not reflect

amounts billed to grantor.

3. Numbers on Table 2 may not sum to total due to rounding.

Next Steps

Through monthly review of the Capital Program, staff continues to identify areas of improvement to accelerate the delivery of projects and improve processes. Staff will also continue to keep Member Agencies informed and provide regular updates to the Board. The next Capital Program Status report is scheduled for March 2025.

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Approved by: Justin Fornelli, Chief, Program Delivery

Attachment(s)

[Attachment A - Capital Sheets Project Status Presentation - Capital Program Status Update](#)