



ITEM ID: 2023-149-0

TRANSMITTAL DATE: March 17, 2023

MEETING DATE: March 24, 2023

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 (SGR) 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 SGR and New Capital Projects.

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

The SGR 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- Replacement of worn or outdated signal system components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). 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 December 31, 2022, while project schedule and status are up to date as of February 6, 2023.

Discussion

Key Activities

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

- SCORE Program
 - Simi Valley, El Monte, and BNSF Fullerton-Esp. – Received award of \$107M TIRCP Supplemental 2023 Cycle 6.
 - Burbank Jct. Speed Improvement – Completed signal work and cutover.
 - Antelope Valley Line Capacity & Service Improvement Projects – Finalized evaluations of proposals for final design.
 - Cogswell Road Crossing Improvements – Completed public outreach and filed CEQA Notice of Exemption.
 - Atwood-Esperanza 3rd Track Project – Executed work order with BNSF for final

design.

- South Perris Station & Layover Facility – Executed funding agreement with RCTC.
 - Link US Phase A – Received and commented on independent value engineering report.
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- Bombardier Car Rebuild Program - Eight (8) cars were conditionally accepted and are in service. Four (4) additional cars to be conditionally accepted by March 2023. Twelve (12) cars are in the Milwaukee factory undergoing rebuild. Six (6) cars to be delivered to LA by March 2023. FY23 Capital Budget funding of \$30M will be used to exercise an option order with Talgo-SYSTRA to rehabilitate another eighteen (18) cars.
 - LA Union Station Rail Yard Rehabilitation & Modernization (RYRM) Project – Track work on switches and turnouts for Control Point (CP) Mission began in February 2023. Track Contractor finishing punch list at CP Terminal. Signal contractor continues to provide support to the track contractor as well as installing conduits and boxes to new CP house locations. Procurement of the switches, signal houses and cable are completed. Pending delivery of the last remaining special track materials and track turnouts for CP Mission.
 - F125 – Tier 4 Locomotive Procurement Project – All forty (40) units have received Final Acceptance. Submittals of Operators Manual, Parts Catalog, and Service Manual are completed, closed, and paid. Provisions of Amendment are being implemented. Locomotive warranty will expire in August 2024.
 - Anaheim Canyon Station Improvements Project – New platform opened in January 2023. Final station communications items to be installed April 2023.
 - The following is a summary of accomplishments by line on several track, structures, and Signals SGR projects:
 - Antelope Valley Line – Signal PM is developing design Contract Task Orders (CTOs) for CP Portal, CP Canyon, CP Hood, Terry Lumber Spur, CP Honby, and Rainbow Glen Drive.
 - Ventura Line – Signal design CTO is in progress with anticipated design completion of Sep 2023.
 - Orange Line – Design CTOs for CP Signal Rehab & Beach Crossings are in progress with anticipated design completion of Sep 2023. Signal construction CTO is in progress with anticipated construction completion date of Jul 2024 due to long material lead-time.
 - San Bernardino Line – Issued RFP for 7 Crossing rehabs to be completed in Spring 2023.
 - Perris Valley Line - Kicked off the design for the PVL drainage improvements in the Box Springs area with RCTC.
 - River Corridor - Rehab construction at CP San Diego Jct. & CP Chavez commenced on January 3, 2023. Forty one percent (41%) of the tie rehab at CP San Diego Jct. is complete.

Both the New Capital and SGR Budgets include projects authorized in prior years, many of which may be ongoing at the end of a fiscal year. Attachment A provides an overview of the Authority’s project portfolio as well as more detailed status by project type.

Quarter Ended December 31, 2022, 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)

Department	Budget	Expended	Balance
Communications	\$19,318	\$8,631	\$10,687
Track, Structures, & Signals	\$81,766	\$22,275	\$59,491
SCORE (SCRRA)	\$683,752	\$48,235	\$635,517
Equipment (Rolling Stock)	\$265,718	\$264,215	\$1,503
Facilities	\$5,210	\$4,102	\$1,108
Other	\$5,494	\$4,511	\$983
Total	\$1,061,258	\$351,969	\$709,289

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

SGR Program

The adjusted currently funded SGR Program budget for the period of FY2015-16 through FY2021-22 is \$476 million (including reprogrammed projects of \$77 million). SGR 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.

SGR Project Status

From FY2015-16 through December 31, 2022, the Authority completed and closed 166 SGR Projects totaling \$136 million in expenditures.

Table 2 summarizes the progress of SGR Projects as of December 31, 2022, and the Authority's forecast to the end of FY2022-23. Both expenditures and forecasts are displayed in amount and percentage form. FY17, SOGR A, and SOGR B projects are 100% complete and have been grayed out in Table 2.

Table 2. SGR Project Status for Active and Completed Projects Fiscal Years 2015-16 to 2020-21 and Reprogrammed Projects (\$K)

Year of Adoption	¹ Current Budget	² Total Cumulative Expenditure		Total Forecasted Expenditure	
		(Period ending December 2022)		(Period ending June 2023)	
FY2015-16	\$11,177	\$10,033	90%	\$11,177	100%
FY2016-17	\$34,896	\$34,873	99%	\$34,879	99%
SOGR A	\$23,046	\$23,046	100%	\$23,046	100%
FY2017-18	\$44,122	\$37,615	85%	\$41,168	93%
SOGR B	\$9,523	\$9,523	100%	\$9,523	100%
FY2018-19	\$79,897	\$40,448	51%	\$56,225	70%
FY2019-20	\$57,944	\$35,462	61%	\$46,173	80%
FY2020-21	\$52,618	\$7,516	14%	\$21,782	41%
FY2021-22	\$56,198	\$25	0%	\$13,612	24%
Reprogrammed	\$78,856	\$48,846	64%	\$73,934	96%
³ Total	\$476,276	\$247,386	55%	\$331,487	74%

Note:

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 June 2023.

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Approved by: Justin Fornelli, Chief, Program Delivery

Attachment(s)

[Attachment A - Capital Sheets - Mar 2023.pdf](#)
[Presentation - Capital Program Status Report Mar 2023](#)