



ITEM ID: 2025-145-0

TRANSMITTAL DATE: March 21, 2025

MEETING DATE: March 28, 2025

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- Replacement of worn or outdated signal system components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 December 31, 2024, while project schedule and status are up to date as of the end of January 2025.

Discussion

Key Activities

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

SCORE Program:

- Completed all ROW purchases for the Simi Valley Double Track Project
- Continuing negotiations with the City of El Monte on the Purchase & Sale Agreement on the El Monte Siding project. Worked with CPUC on pedestrian crossing location at the platform.
- Continuing engagement with the City of Los Angeles on the Purchase & Sale Agreement on the Marengo Siding project. Camera Ready plans received.
- Development of the Invitation for Bids (IFB) documents for contractors to bid on the San Bernardino Line projects (El Monte Station, Marengo Siding and Rancho Cucamonga Siding) continues
- Construction & Maintenance (C&M) Agreements with stakeholders are being negotiated for the San Bernardino Line projects

- At-grade crossing permits required by the California Public Utilities Commission are in development and under review for the San Bernardino and Ventura County Line projects

The Authority has completed construction on the Early Start projects, which were finished approximately \$11M under budget. Progress is ongoing towards the construction of Metrolink-Led SCORE projects for which the design is nearing completion. With substantial completion of design, the team has a better forecast for right-of-way (ROW) acquisitions and utility relocations that are needed for each of these projects and their associated costs. Due to substantial completion of design for Metrolink-Led SCORE projects the team has high confidence in the cost estimates for ROW acquisitions, utility relocations and construction. The Authority is estimating a funding gap for some of these projects due to inflation, material cost and general construction cost escalation factors experienced across the industry since the pandemic. In addition, some projects have been challenged with higher-than-expected ROW acquisition and utility relocation needs and associated costs. It should be noted that budgets for Metrolink-Led SCORE projects were established prior to the onset of the pandemic. The Authority has completed value engineering efforts as part of the design process in an effort to minimize cost increases. Despite these efforts, some project estimates remain above current available funding amounts. The Authority is analyzing various funding opportunities and coordinating with funding partners at the California State Transportation Agency (CalSTA) to determine solutions to address the gaps in funding.

We are also following the development of 49 CFR 246 that pertain to certification of signal workers and its overall impact on cost. The establishment of this rule could have a cost impact not only on the SCORE program but may also impact other Capital and State of Good Repair projects.

Project Management Information System (PMIS) Development.

The board approved the contract for DR McNatty on November 8, 2024, to implement a system for Program Management Information System. The Authority has started the initial design of the new Program Management Information System (PMIS), which will be a cloud-based system enabling the modernization of all aspects of program delivery. The system will be based on an Oracle platform using the Unifier application to provide real time project cost information, integrated with Metrolink's native Enterprise Resource Planning (ERP) system. PMIS will provide full audit trail of all project transactions while integrating contracts, projects, risk and schedule to provide a clear status of all projects and programs. The PMIS program is currently in development and design and is expected to be launched in fall of 2025 and fully implemented by February 2026.

State of Good Repair Program:

- Bombardier Passenger Car Rebuild – (50 cars currently funded for refurbishment):
 - 42 refurbished cars delivered through Jan 2025. 40 cars conditionally accepted and all are in service. Additional 6 cars are expected to be delivered by June 2025.
- On-Board Train Control Systems Rehabilitation:
 - Train Modular Control (TMC) Upgrade: All operations units have been upgraded. 8 remaining TMC's to be upgraded. Estimate time of completion to be end of 2025.
 - Global Positioning System Upgrade: Pilot phase under way, which consists of upgrading one of each model of SCRRR rolling stock fleet. Upgrade process to

take an approximately 2 years on all operational units.

- Rolling Stock State of Good Repair:
 - Rotem HVAC Overhaul: 91 of 136 HVAC units overhauled; 25/68 control panels overhauled.
 - Bombardier HVAC Overhaul (180 units): All 180 units of HVAC overhaul completed and delivered.

- SoGR Track, Structures, & Signal Projects by Line:
 - Antelope Valley Line
 - Structure design - A consultant from the on-call engineering bench has been selected and finalizing contract negotiations and task order execution.
 - Tunnel 25 Feasibility study shared with LA Metro. FY26 Capital Budget request project funding to design work on this project.

- Ventura County Line
 - Pacific Surfliner Corridor Rehabilitation and Reliability Project: 30% design complete, 60% expected by April 2025
 - Arroyo Simi Bridges - cost estimates have identified a funding gap of \$3.1M. Staff is currently coordinating with VCTC to identify other funding sources. Unfortunately, we were unsuccessful in securing a Local Transportation Climate Action plan (LTCAP) grant to cover the funding gap. Design is progressing to 100%.

- Orange County Line
 - Slope Stabilization and Grading project 60% complete with Design.
 - FY23 Track rehab has completed design, progressing on procurement to issue IFB for construction.
 - San Juan Creek Bridge Replacement Project - Retaining wall construction in progress outside of the channel. All materials needed for next dry season construction have been ordered.

- San Bernardino Line
 - All FY22 Track Rehab work is complete. Staff is preparing construction related Task Orders for FY24 Track Rehab work.

- Perris Valley Line
 - Environmental clearance Box Springs and CP Citrus work is under review by FTA. 30% Design submittal review comments from SCRRA are being addressed by the Designer.

- River Corridor
 - 100% design for Arroyo Seco Bridge to be complete by March 2025.
 - Switch rehab construction at CP San Diego Jct. & CP Chavez is complete.

- SoGR Communication Systems Projects
 - River: Fiber Witness Post Rehab and Fiber Installation is continuing to complete Phase 1. The project is expected to be completed by June 2025

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

Quarter Ended December 31, 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) | \$ 14,594 | \$ 8,416 | \$ 6,178 |
| Track, Structures, & Signals | \$ 87,271 | \$ 15,460 | \$ 71,811 |
| SCORE (SCRRA) | \$ 827,924 | \$ 106,562 | \$ 721,362 |
| 0F125 Locomotive Procurement (Rolling Stock) | \$ 279,104 | \$ 278,120 | \$ 984 |
| Miscellaneous Capital Equipment (Facilities) | \$ 18,362 | \$ 32 | \$ 18,330 |
| Other (IT) | \$ 12,455 | \$ 2,409 | \$ 10,046 |
| Pacific Surfliner Corridor Rehabilitation | \$ 1,616 | \$ 49 | \$ 1,567 |
| TOTAL | \$ 1,241,326 | \$ 411,047 | \$ 830,278 |

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 | ¹CURRENT BUDGET | ²EXPENDED | BALANCE |
|--------------------------|-----------------------------------|-----------------------------|------------------|
| FY2017-18 | \$44,360 | \$41,195 | \$3,165 |
| FY2018-19 | \$91,072 | \$62,631 | \$28,441 |
| FY2019-20 | \$66,048 | \$53,007 | \$13,041 |
| FY2020-21 | \$54,102 | \$30,345 | \$23,757 |
| FY2021-22 | \$61,255 | \$26,185 | \$35,070 |
| FY2022-23 | \$89,275 | \$27,295 | \$61,980 |
| FY2023-24 | \$124,037 | \$1,970 | \$122,067 |
| Reprogrammed | \$117,784 | \$107,129 | \$10,655 |
| ³Total | \$647,933 | \$349,757 | \$298,176 |

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 June 2025.

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Approved by: Justin Fornelli, Chief, Program Delivery

Attachment(s)

Attachment A - Capital Sheets Project Status December 2024
Presentation - Capital Program Status Report March 2025