



**ITEM ID:** 2023-224-0

**TRANSMITTAL DATE:** June 16, 2023

**MEETING DATE:** June 23, 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- Replacement of worn or outdated signal system components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 March 31, 2023, while project schedule and status are up to date as of April 30, 2023.

## **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 and Canyon Siding Extension – Issued Notice to Proceed for Design Contracts and held Kick-Off meetings.
    - Lancaster Terminal Improvements – Notice to Proceed anticipate in June 2023. Kick-Off meeting to be held thereafter.
  - Perris Valley Line
    - PVL Double Track Project - Executed Funding Agreement with RCTC.
  - San Bernardino Line
    - Marengo, El Monte, and Rancho Cucamonga Projects - Delivered Offer Packages to property owners and commenced negotiations for the required Right of Way (ROW) Acquisitions.
    - Cogswell Road Grade Crossing Project - Issued Notice to Proceed for the

- Design.
  - Ventura County Line
    - Sequoia Avenue Grade Crossing Improvements – Executed the Design Services Agreement (DSA) with City of Simi Valley.
    - Simi Valley Project – Completed appraisals of properties for Right of Way Acquisitions.
- Bombardier Car Rebuild Program - Ten (10) cars were conditionally accepted and are in service. Two (2) cars to be delivered to LA by May 2023. Thirteen (13) cars are in the Milwaukee factory undergoing rebuild. Three (3) additional cars to be shipped out to Milwaukee by May 2023.
- LA Union Station Rail Yard Rehabilitation & Modernization (RYRM) Project – CP Mission turnouts and double slips are under construction. There have been 7 turnouts out of 12 that have been installed. Signal Contractor continuing to provide signal support to the track contractor which includes installing the switch machines when the track turnout as well as installing conduits and boxes to new CP house locations. All signal house locations are installed in final position. Procurement of materials is complete for this project.
- 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. No new updates this quarter.
- Anaheim Canyon Station Improvements Project – Final station communications items to be installed May 2023.

The following is a summary of accomplishments by line on several track, structures, and Signals SGR projects:

- Antelope Valley Line – Issued Work Directive for emergency rail replacement due to deficient conditions. Issued Contract Task Order to study long-term drainage in Tunnel 25.
  - Metrolink was recently forced to implement two speed restrictions on the Valley Subdivision due to excessive rail wear. These areas of wear had been identified previously and included in the approved FY22 State of Good Repair Capital Budget. However, due to funding agreement timelines and long lead times to secure rail materials, work to address this wear was scheduled to be completed later this summer. In order to lift the slow orders as soon as possible, emergency work is planned to replace the rail using Metrolink’s limited inventory to remove the speed restrictions. Staff expects this work to be completed by June 2023.
- Ventura Line – Completed improvements at Tunnel 26, which included increased pump capacity to prevent groundwater collection and upgrading to LED lighting.
- Orange Line – Right of Way (ROW) Acquisition for San Juan Creek Bridge is complete.

Design Support During Construction Contract went to Board in April 2023; Invitation for Bid package schedule to be released in June 2023. Construction Management team selected, and Contract Task Order in process.

- San Bernardino Line – Completed 7 crossing rehabs on last quarter.
- Perris Valley Line - Working on Environmental Clearance and Preliminary Design for Box Springs area drainage issues.
- River Corridor - Arroyo Seco Bridge Design Environment Report required additional consultation efforts from Tribal Commission and LA River Commission, anticipated to complete by July 2023. Final design to complete by December 2023.

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 March 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)**

<b>Department</b>	<b>Budget</b>	<b>Expended</b>	<b>Balance</b>
Communications	\$33,179	\$22,436	\$10,743
Track, Structures, & Signals	\$84,782	\$26,921	\$57,861
SCORE (SCRRA)	\$683,690	\$52,663	\$631,027
Equipment (Rolling Stock)	\$265,718	\$264,329	\$1,389
Facilities	\$5,210	\$4,104	\$1,106
Other	\$5,614	\$4,947	\$668
<b>Total</b>	<b>\$1,078,193</b>	<b>\$375,400</b>	<b>\$702,793</b>

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 \$486 million (including reprogrammed projects of \$80 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 March 31, 2023, the Authority completed and closed 177 SGR Projects totaling \$123 million in expenditures.

Table 2 summarizes the progress of SGR Projects as of March 31, 2023, 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 2021-22 and Reprogrammed Projects (\$K)**

Year of Adoption	<sup>1</sup> Current Budget	<sup>2</sup> Total Cumulative Expenditure		Total Forecasted Expenditure	
		(Period ending March 2023)		(Period ending June 2023)	
FY2015-16	\$10,094	\$10,094	100%	\$11,177	100%
FY2016-17	\$34,996	\$34,874	99%	\$34,879	99%
SOGR A	\$23,046	\$23,046	100%	\$23,046	100%
FY2017-18	\$44,493	\$38,345	86%	\$41,168	88%
SOGR B	\$9,523	\$9,523	100%	\$9,523	100%
FY2018-19	\$82,854	\$43,338	52%	\$56,225	60%
FY2019-20	\$63,176	\$40,565	64%	\$46,173	73%
FY2020-21	\$52,618	\$10,951	21%	\$21,782	35%
FY2021-22	\$56,735	\$186	0%	\$13,612	10%
Reprogrammed	\$79,983	\$52,919	66%	\$73,934	86%
<sup>3</sup> Total	<b>\$485,932</b>	<b>\$292,103</b>	<b>60%</b>	<b>\$331,487</b>	<b>69%</b>

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 October 2023.

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Approved by: Justin Fornelli, Chief, Program Delivery

**Attachment(s)**

[Attachment A - Capital Sheets Jun 2023](#)