

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 25-26, 2008

Reference No.: 2.8c.(1)
Action Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Gale Ogawa
Division Chief
Mass Transportation

Subject: **REQUEST TO EXTEND THE PERIOD OF PROJECT COMPLETION FOR
LOCALLY- ADMINISTERED STIP TRANSIT PROJECTS, PER STIP GUIDELINES
WAIVER-08-26**

RECOMMENDATION:

The Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve Waiver-08-26, extending the period of project completion by 12 months, to July 13, 2009, for the Light Rail Vehicle Acquisition project (PPNO 3225) in Los Angeles County.

ISSUE:

In July 2005, the Commission allocated \$29,159,000 to the Los Angeles County Metropolitan Transportation Authority (LACMTA) for the acquisition of light rail vehicles. LACMTA has been unable to complete the project by the deadline due to issues related to the manufacturing process, which consequently have delayed the delivery and acceptance of the vehicles. Given that the agreement between LACMTA and the manufacture is a performed-based contract under which compensation can only be paid when the product has been delivered and received, LACMTA has been unable to make payments as scheduled.

LACMTA is working closely with the manufacture to assure that despite this delay, vehicles are delivered and accepted by the opening of the new rail line. A 12-month extension to the period of project completion is being requested to extend the deadline to July 13, 2009.

BACKGROUND:

Current State Transportation Improvement Program (STIP) Guidelines stipulate that the Commission may approve waivers to the timely use of funds deadline one time only for up to 20 months in accordance with Government Code Section 14529.8.