

FEDERAL TRANSIT ADMINISTRATION

PROJECT MANAGEMENT OVERSIGHT PROGRAM

Contract No. DTFT60-04-D-00012

Project No. DC-27-5006

Task Order No. 3

Grantee: METROPOLITAN TRANSPORTATION AUTHORITY
SECOND AVENUE SUBWAY (MTACC-SAS)

REGION II MAJOR CAPITAL PROJECTS

Monthly Report – Part I August 2009

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TABLE OF CONTENTS

| | Page No. |
|---|-----------|
| SECTION III SECOND AVENUE SUBWAY PROJECT | |
| TABLE OF CONTENTS | i |
| LIST OF ACRONYMS | ii |
| I. EXECUTIVE SUMMARY | 1 |
| A. PROJECT DESCRIPTION..... | 1 |
| B. PROJECT STATUS | 1 |
| C. SCHEDULE..... | 2 |
| D. COST DATA FOR PHASE I..... | 3 |
| E. TECHNICAL CAPACITY REVIEW | 4 |
| F. SYSTEM SAFETY REVIEW..... | 4 |
| G. MAJOR ISSUES/PROBLEMS | 4 |
| ATTACHMENT A - SAFETY CHECKLIST - SECOND AVENUE SUBWAY..... | 5 |
| II. ACTION ITEMS – ITEMS FOR GRANTEE ACTION | 8 |
| III. OBSERVATIONS AND CURRENT ISSUES..... | 12 |
| ATTACHMENT B - SUMMARY OF CONCERNS AND RECOMMENDATIONS..... | 24 |

OST Project Status Report – separate submittal to CO, COTR and TOM via e-mail

LIST OF ACRONYMS

| | |
|--------|--|
| AFI | Allowance for Indeterminates |
| AWO | Additional Work Order |
| CCM | Consultant Construction Manager |
| CPM | Critical Path Method |
| DHA | DMJM+Harris and ARUP |
| DOB | New York City Department of Buildings |
| FD | Final Design |
| FEIS | Final Environmental Impact Statement |
| FFGA | Full Funding Grant Agreement |
| FTA | Federal Transit Administration |
| HLRP | Housing of Last Resort Plan |
| MEP | Mechanical, Electrical, Plumbing |
| MTA | Metropolitan Transportation Authority |
| MTACC | Metropolitan Transportation Authority – Capital Construction |
| N/A | Not Applicable |
| NTP | Notice to Proceed |
| NYCDEP | New York City Department of Environmental Protection |
| NYCT | New York City Transit |
| PE | Preliminary Engineering |
| PMOC | Project Management Oversight Contractor (Urban Engineers) |
| PMP | Project Management Plan |
| PQM | Project Quality Manual |
| RAMP | Real Estate Acquisition Management Plan |
| ROD | Revenue Operations Date |
| TIA | Time Impact Analyses |
| S3 | Skanska, Schiavone and Shea |
| SAS | Second Avenue Subway |
| SCC | Standard Construction Categories |
| SSMP | Safety and Security Management Plan |
| SSOA | State Safety Oversight Agency |
| SSPP | System Safety Program Plan |
| TBD | To Be Determined |

SECTION III.

SECOND AVENUE SUBWAY (SAS) PROJECT

I. EXECUTIVE SUMMARY

A. Project Description

- **General Description:** The Second Avenue Subway (SAS) project will connect Manhattan's Central Harlem area with the downtown financial district, relieving congested conditions on the Lexington Avenue line. The current project scope includes: tunneling; station/ancillary facilities; track, signal, and electrical work; vehicle procurement; and all other subway systems necessary for operation. The project consists of four phases, with Phase 1 providing an Initial Operating Segment (IOS) from 96th Street to 63rd Street, and will connect with the existing Broadway Line that extends to Lower Manhattan and Brooklyn. Subsequent phases will extend the line northward to 125th Street and to the southern terminus at Hanover Square in Lower Manhattan.
- **Length:** Phase 1 - 2.3 miles from 63rd Street to 105th Street. Total Project - 8.5 miles from 125th Street and Lexington Avenue in Central Harlem to Lower Manhattan.
- **No. of Stations:** Total Project -16 new stations. Phase 1-two new mined stations located at 72nd and 86th Streets, One new cut and cover station at 96th Street, and modification of the existing 63rd Street Station on the Broadway Line.
- **Additional Facilities:** New storage tracks will be provided along the alignment and at the north and south terminals during the later phases of the project, but not as part of Phase 1.
- **Vehicles:** FFGA projects for total project - Approximately 224 railcars that are 75 feet long (28 new 8-car train sets). Phase 1 - 68 new rail cars (includes 12 spares). Total number of rail cars required will be revised based on July 2009 decision by NYCT to utilize 60 foot rail cars.
- **Ridership Forecast:** The full length SAS is forecast to carry 560,000 daily riders in 2030. Upon completion of Phase 1, ridership is expected to be 191,000 per the MTA's Regional Travel Forecast Model.

B. Project Status

- The SAS project is trending significantly behind schedule, and the current Estimate at Completion (EAC) is significantly above the FFGA Baseline Cost Estimate. The MTACC has revised the cost estimate and project schedule and the FTA/PMOC is currently evaluating those revisions.
- The PMOC is aware of a slippage of 10 months in the Critical Path work for Contract 1 (Tunnel Boring) in the actual work being performed. MTACC has requested a recovery schedule from the contractor, but it is highly unlikely that any more than a fraction of the lost time will be recovered.

- Contract (2A), the first of two contracts for the 96th Street Station, was awarded May 28, 2009.
- Contract 5A, the first of three contracts for the 86th Street Station, was awarded on July 8, 2009.

C. Schedule

- **Preliminary Engineering (PE):** Entry into PE was approved by FTA on December 20, 2001; PE completed April 17, 2006.
- **Record of Decision:** Record of Decision issued on July 8, 2004.
- **Final Design (FD):** Entry into FD (Phase 1) was approved by FTA on April 18 2006. FD for the 72nd St. Station is anticipated to be completed by February 11, 2010 based on DHA's schedule.
- **Full Funding Grant Agreement (FFGA):** The FFGA was executed on November 19, 2007.
- **Construction:** The start of the Construction Phase was authorized with the approval of an Early Systems Work Agreement (ESWA) on January 5, 2007. Three of the eleven construction contracts have been awarded and notice to proceed issued (see Section III E for details). Construction is 6.68% complete based on total expenditures of the awarded construction contracts versus total projected construction cost (all construction contracts) at completion.
- **Project Complete:** Through August 31, 2009 total Phase 1 Project percent complete is 17.17% (based on total expenditures versus Phase 1 projected cost at completion). Financing not included (see Section D note 2). Percent complete will be reduced when financing is included.
- **Revenue Operations Date:**

Phase 1 (MOS)

| FFGA | Proposed FFGA as Amended | Forecast Completion | | Actual Completion |
|---------------|--------------------------|----------------------------------|--------------------|-------------------|
| | | Grantee | PMO | |
| June 30, 2014 | N/A | December 30, 2016 ⁽¹⁾ | TBD ⁽²⁾ | TBD |

(1) SAS Phase 1 Integrated Construction Schedule, Revision 3, Update #29 dated January 13, 2009.

(2) Pending completion of Risk Assessment

- **Other:** The Environmental Impact Statement was approved on April 8, 2004. A Finding of No Significant Impact (FONSI) is being prepared for the relocation of entrances at both the 72nd and 86th Street Stations.

- Next Quarterly Review Meeting: *TBD*

D. Cost Data for Phase 1

| | FFGA | | | FFGA Amendments | Current Costs Estimate at Completion | | Expenditures Thru August 31, 2009 | |
|-------------------------------|------------------------------|--------------|-----------------------------|-----------------|--------------------------------------|--------------|-----------------------------------|-------------------------|
| | (\$ Millions) ⁽¹⁾ | (%) | Obligated | | (\$ Millions) ⁽²⁾ | (%) | (\$ Millions) | % of Total Project Cost |
| Grand Total Cost: | \$4,866.614 | 100 | | N/A | 5,163.614 | 100 | 764.265 | 14.80 |
| Financing Cost | 816.614 | 16.78 | | | 816.614 | 15.81 | | |
| Total Project Cost: | 4,050.000 | 83.22 | 1,475.08₃ | | 4,347.000 | 84.19 | | 17.17 |
| Total Federal share: | 1,361.511 | 27.75 | 229.321 | | 1,350.692 | 26.16 | 171.540 | 3.32 |
| Total FTA share: | 1,300.000 | 96.25 | 167.810 | | 1,300.000 | 96.25 | 135.662 | 2.62 |
| 5309 New Starts share | 1,300.000 | 100 | 167.810 | | 1,300.000 | 96.25 | 135.662 | 2.62 |
| Total FHWA share: | 61.511 | 3.75 | 61.511 | | 50.692 | 3.75 | 35.878 | 0.70 |
| CMAQ | 59.051 | 95.15 | 59.051 | | 48.233 | 95.15 | 33.418 | 0.64 |
| Special Highway Appropriation | 2.460 | 4.85 | 2.460 | | 2.459 | 4.85 | 2.460 | 0.06 |
| Total Local share: | 2,699.308 | 55.47 | 1,245.782 | | 2,996.308 | 58.03 | 592.725 | 11.48 |
| State share: | 450.000 | 16.67 | 100.000 | | 450.000 | 15.02 | | |
| Agency share: | 2,249.308 | 83.33 | 1,145.78 ₂ | | 2,546.308 | 84.98 | | |
| City share: | 0 | 0 | | | 0 | 0 | | |

(1) Updated to reflect Attachment 6 (Schedule of Federal Funds) from SAS FFGA.

(2) Financial data provided monthly by MTACC and PMOC review of TEAM web.

The FFGA budget included a contingency of \$629.0 million (allocated and unallocated). The contingency is distributed as follows:

- AFI's and AWO's (Design, Pre-bid and Construction) \$395 million (unallocated)
- Executive Reserve (previously Project Reserve) \$160 million (unallocated)
- Real Estate \$17 million (allocated)
- Rolling Stock \$11 million (allocated)
- Design/Force Account \$46 million (allocated)

E. Technical Capacity Review

- Project Management Plan (PMP): The approved PMP has been updated 6 times so far to incorporate the critical changes to date. As a result of the current risk review, a seventh revision will follow the Risk effort to capture any changes resulting from the Risk Re-look.
- Project Quality Manual (PQM): Updated PQM (Revision 2) for the final design/construction phase of the project was approved by the FTA on March 28, 2007.
- Bus Fleet Management Plan (BFMP): Updated BFMP dated February 2007 was conditionally accepted by the FTA in May 2007.
- Rail Fleet Management Plan (RFMP): Updated RFMP conditionally accepted by the FTA on April 24, 2007. In July 2009, NYCT decided on a 60-foot rail car length for the SAS project and future procurements. The RFMP will be updated to reflect this decision.

F. System Safety Review

- The New York State Public Transportation Safety Board (PTSB) is the State Safety Oversight Agency (SSOA). Biennial re-certification of NYCT's System Safety Program Plan (SSPP) was completed in July 2008.

G. Major Issues/Problems

- The MTA estimates it will take 3-4 months to complete its legal process to relocate the tenants affected by the 72nd Street Station cavern excavation contract. If there is a legal challenge, the process could take much longer and delay the critical path cavern contract that in-turn would delay the entire program. MTA is taking appropriate action to resolve this matter and is maintaining it as a high-profile issue until it is fully resolved. *Responses to comments were compiled and submitted to FTA in August 2009. It is anticipated that the FTA will issue a Finding of No Significant Impact (FONSI) in September 2009.* [Ref.: SAS-A02-0208]
- ***Because of the instability of the buildings at 1766 to 1772 Second Ave, the contractor can not blast to excavate the rock. This has a direct bearing on the launch of the TBM. The resolution of the issue is being developed by the buildings' owners and the resumption of work depends on the buildings' owners providing adequate stabilization. The timing of that is not known explicitly at this time.*** [Ref: SAS-04-0709]

Attachment A - Safety Checklist - Second Avenue Subway

| Areas of Focus | Y/N | Status |
|---|-----|--|
| State Safety Oversight Agency | | |
| Does the state have a designated State Safety Oversight Agency (SSOA) as defined in 49 CFR Part 659? | Y | New York Public Transportation Safety Board (PTSB). |
| If so, does the SSOA's authority extend to pre-revenue operations? | Y | Yes, all phases. |
| Has the SSOA established its System Safety Program Standards (SSPS)? | Y | Standards are based on the requirements of 49 CFR Part 659. |
| Has the SSOA received, reviewed, and approved the Grantee's System Safety Program Plan (SSPP)? | Y | Biennial re-certification was completed in July 2008 by the PTSB. |
| Does SSOA participate in Project Development? Participation includes things such as: review design documents; attend review meetings; and comment on the how the safety aspects of the project are being addressed. | Y | Reference section 2.2.7 of the SAS System Safety & Reliability Plan. |
| Has the SSOA performed a pre-revenue safety review of the Grantee's project? | N | No |
| System Safety | | |
| Is the Grantee's overall Safety Program properly documented in its Project Management Plan (PMP)? | Y | See PMP Section 3. |
| Do the Grantee's PMP and associated Safety Program include an appropriate safety policy adopted by its top management? | Y | By approving plan |
| Do the Grantee's PMP and associated Safety Program establish a specific organizational entity and/or individual responsible for the Safety Program? | Y | See PMP. |

Attachment A - Safety Checklist - Second Avenue Subway

| Areas of Focus | Y/N | Status |
|--|-----|---|
| Do the Grantee's PMP and associated Safety Program specify staffing requirements, procedures and authority for the safety activities? | Y | See PMP Section 3. |
| Do the Grantee's PMP and associated Safety Program include a formal Safety Certification Program (SCP)? | Y | See PMP and SAS System Safety & Reliability Plan. |
| Do the Grantee's PMP and associated Safety Program include the development/use of a Safety Design Criteria Manual (DCM) or equivalent documents? | Y | See DCM Chapter 26 and SAS System Safety & Reliability Plan. |
| Has the Grantee developed and the SSOA approved the Grantee's SSPP? What is the status of this process between the Grantee and SSOA? | Y | Biennial re-certification was completed in July 2008 by the PTSB. |
| Is the Grantee implementing its Safety Program as defined in the PMP? Are the safety milestones being met? (Note: This assumes that the Safety Program is properly documented in the PMP.) | Y | See Project Schedule. |
| Construction Safety | | |
| Is the Grantee's Construction Safety Program (CSP) documented in the PMP? | Y | Included in the Construction Phase PMP. |
| Has the Grantee implemented its CSP? | Y | CSP is on-going. Toolbox meetings are held to acquaint personnel with the safety requirements as defined in the General Specification. MTACC and contractor's safety personnel and the OCIP representative continue to monitor the site for compliance. Safety is discussed at each Job Progress Meeting. |

Attachment A - Safety Checklist - Second Avenue Subway

| Areas of Focus | Y/N | Status |
|---|-----|--|
| How do the Grantee's OSHA statistics compare to the national average for the same type of work? If the comparison is not favorable, what actions are being taken by the Grantee to improve its safety record? | - | The recordable incidents for the project (<i>through July 2009</i>) continue to trend below the national average (<i>1.99 vs. 4.9</i>). Lost time accidents (<i>through July 2009</i>) are below the national average (<i>.99 vs. 2.6</i>). <i>See Page 18</i> . Retraining and safety meetings are ongoing. |
| Is the Grantee using wrap-up insurance on this project? | Y | Owner Controlled Insurance Program (OCIP) has been implemented. Insurance coverage by Allied North America, administered by Project Technologies International, LLC. |
| Is the Grantee using safety incentives/disincentives on this project? | Y | Ongoing. |
| Shared Track | | |
| Does this project have shared track? | N | |
| Has the Grantee coordinated with the Federal Railroad Administration (FRA) regarding waivers for shared track usage? | N/A | |
| Shared Corridor | | |
| Does this project include shared corridor? Please describe the geography of the shared corridor. | N | |
| What is the Grantee doing to specifically address safety concerns in the shared corridor portion of the project? | N/A | |

II. ACTION ITEMS – ITEMS FOR GRANTEE ACTION

Status of Action Items

The status of Action Items is shown in the following summary chart.

Note: Items marked with a “C” in the “PMO Contractor Status” column will be dropped from future reports.

Key Item

2. XX PMO CLIN 5 – Project Management Plan

3. XX PMO CLIN 3 – Project Monitoring

Legend

| Priority (Pr) | Grantee Action | PMO Contractor Status |
|--------------------|-------------------------------|--|
| 1 – Most Critical | D – Remedial Action Developed | R – Review On-going |
| 2 – Critical | A – Remedial Action Approved | C – Completed - No further review required |
| 3 – Least Critical | I – Action Implemented | |

Items for Grantee Action

| Pr | Item | Identification | Nature of Problem | Grantee Action | | | Comments | Status |
|----|---|--|--|----------------|---|---|--|--------|
| | | | | D | A | I | | |
| 2 | CLIN 003 Sub Task 12.a SAS-A01-1007 | Rent Stabilization Plan | FTA/PMOC has no information for MTA's Plan for Rent Stabilization. | Y | Y | N | On December 1, 2008, the MTA issued the final draft of the SAS Relocation Plan, which included the HLRP (Section 3.3), for FTA approval. In April 2009, the Relocation Plan (Rev. 23) was updated and submitted for FTA/PMOC review, which was completed in June 2009. <i>FTA comments were provided to the MTA in August 2009.</i> | R |
| 2 | CLIN 003 Sub Task 12.a SAS-A02-0208 | Real estate challenges associated with Entrance 3 at 72 nd Street Station | Two challenges were filed (State and Federal courts) with regard to the proposed relocation of Entrance 3 of the 72 nd Street Station. The challenge filed in State Court has been dismissed. The challenge filed in Federal Court continues. | Y | Y | N | <i>The FEIS identified Entrance 3 in a building. SAS proposed to locate it on the sidewalk of the northeast corner of 72nd Street. This initiated the challenges. Now MTACC is proposing to locate it in 300 72nd Street. The final environmental assessment was approved by the FTA on May 18, 2009. Public release of the document occurred in June 2009. The comment period was extended to July 31, 2009. Responses to comments were compiled and submitted to the FTA in August 2009. It is anticipated that the FTA will issue a Finding of No</i> | R |

Items for Grantee Action

| Pr | Item | Identification | Nature of Problem | Grantee Action | | | Comments | Status |
|----|--|---|--|----------------|---|---|---|--------|
| | | | | D | A | I | | |
| | | | | | | | Significant Impact (FONSI) in September 2009. | |
| 2 | CLIN 003 Sub Task 12a. SAS-A11-0808 | Recovery Plan | MTACC needs to submit a Recovery Plan, pursuant to FFGA requirements, for FTA review and approval. Need to track the current budget against the FFGA budget and add financing costs as a line item to the Current Budget Summary. | Y | N | N | The project's budget and schedule performance is now being reported in comparison to the Baseline Cost Estimate and Schedule in the FFGA. MTACC has agreed to submit a Recovery Plan once consensus is reached from the Risk Assessment. | R |
| 2 | CLIN 003 Sub Task 12a. SAS-A13-0808 | Increase in cost estimate and Contract Packaging Plan | Reasons/justifications for the budget increase of \$297 million from \$4.05 billion to \$4.347 billion must be provided to the FTA. What was it due to? What are the benefits resulting from adding \$297 million more to the budget and breaking into 12 contracts. Revised cost estimate in the Standard Cost Categories must be provided. | Y | N | N | The PMOC received the cost estimate in the Standard Cost Categories. As part of the Risk Assessment, each cost category is being evaluated with high and low dollar ranges being established based on the perceived risk. A revised Baseline Cost Estimate is being established as part of the Risk Assessment. | R |

Items for Grantee Action

| Pr | Item | Identification | Nature of Problem | Grantee Action | | | Comments | Status |
|----|--|----------------------------|---|----------------|---|---|--|--------|
| | | | | D | A | I | | |
| 2 | CLIN 003 Sub Task 12a. SAS-A16-0808 | Risk Assessment | Risk Assessment Workshop needs to be scheduled. | Y | N | N | Workshops continued during August 2009 in order to reach consensus on the revised BCE and schedule, and wording of the Project Execution Plan (PEP). <i>Final wording of the PEP is anticipated to be completed in September 2009.</i> | R |
| 2 | CLIN 003 Sub Task 12a. SAS-A17-0808 | | The Rail Fleet Management Plan (RFMP) should be updated. | Y | Y | N | NYCT has decided on a 60-foot rail car length for the SAS project and future fleet procurements. The RFMP will be updated to reflect the decision and the impact on the total number of rail cars required (train sets). | R |
| 2 | CLIN 003 Sub Task 12a. SAS-A18-0808 | Contingency Drawdown Curve | The change in the Contingency Drawdown Curve, particularly the latent contingency, needs to be clarified. Why \$80 million? | Y | N | N | A revised Contingency Drawdown Curve will be developed based on the revised budget, schedule and contract Packaging Plan. See action item SAS-A13-0808. | R |

III. OBSERVATIONS AND CURRENT ISSUES

A. GENERAL AGENCY ASSESSMENT

MTA Capital Construction (MTACC) Company is a public corporation with a specific mission to plan, design and construct major current and future MTA system expansion projects, including the Second Avenue Subway (SAS) project. MTACC has engaged the services of a design consultant, DMJM+Harris and ARUP (DHA), and a consultant construction management services firm, PB Americas, to assist in its management of the project by supplementing MTACC staff. MTA's Real Estate Department is taking the lead in the acquisition of property required for the project.

The SAS project continues to trend behind schedule and the current Estimate at Completion (EAC) is significantly above the FFGA Baseline Cost Estimate (BCE). *During August 2009 various meetings were held to finalize the wording in the Project Execution Plan (PEP). Consensus on the revised project cost, schedule and a final PEP is now anticipated by September 30, 2009.* [Ref: SAS-A13-0808]

B. BUDGET/COST STATUS

The MTACC updated the SAS Project Phase 1 cost estimate to address the concerns noted during the 2007 Risk Assessment process. Adjustments were made to increase the unallocated contingency, real estate cost, and support an additional 6 months' float. The MTACC submitted the cost estimate and its various attachments to the FTA as required by the FFGA application. This effort was based on having 6 contract packages. Total project cost was \$4,866,614,000 and was broken down into the SCC as shown in the chart below.

| Standard Cost Category (SCC) # | Description | Year of Expenditure \$000 |
|--------------------------------|--|---------------------------|
| 10 | Guideway & Track Elements | 612,404 |
| 20 | Stations, Stops, Terminals, Intermodal | 1,092,836 |
| 30 | Support Facilities: Yards, Shops, Admin Bldgs. | 0 |
| 40 | Site Work & Special Conditions | 276,229 |
| 50 | Systems | 322,707 |
| 60 | ROW, Land, Existing Improvements | 240,960 |
| 70 | Vehicles | 152,999 |
| 80 | Professional Services | 796,311 |
| 90 | Unallocated Contingency | 555,554 |
| Subtotal | | 4,050,000 |
| Financing Cost | | 816,614 |
| Total Project | | 4,866,614 |

Project Funding: On November 19, 2007, the FTA and MTA executed an FFGA in the amount of \$4,866,614,468, including finance costs. Total Federal participation is \$1,350,692,821 and

Local participation is \$3,515,921,647. The table below lists the associated grants in the Transportation Electronic Award Management (TEAM) system with respective appropriated and obligated amounts as of *August 31, 2009*. * Denotes ARRA funds

| Grant Number | Amount (\$) | Obligated (\$) | Disbursement (\$) thru <i>August 31, 2009</i> |
|----------------------|-------------------------|----------------|--|
| NY-03-0397 | \$4,980,026 | \$4,980,026 | \$4,980,026 |
| NY-03-0408 | \$1,967,165 | \$1,967,165 | \$1,967,165 |
| NY-03-0408-01 | \$1,968,358 | \$1,968,358 | \$1,968,358 |
| NY-03-0408-02 | \$24,502,500 | \$24,502,500 | \$24,502,500 |
| NY-03-0408-03 | 0 | 0 | 0 |
| NY-03-0408-04 | 0 | 0 | 0 |
| NY-03-0408-05 | \$167,810,300 | \$167,810,300 | \$135,662,099 |
| NY-17-X001-00 | \$2,459,821 | \$2,459,821 | \$2,459,821 |
| NY-95-X009-00 | \$25,633,000 | \$25,633,000 | 0 |
| <i>NY-36-001-00*</i> | <i>\$78,870,000</i> | <i>0</i> | <i>0</i> |
| Total | <i>\$308,191,170.00</i> | \$229,321,170 | \$171,539,969 |

Project Expenditures and Commitments: A total of \$764,265,493 million has been expended on the project through *August 31, 2009* including \$5.455 million on the Manhattan East Side Access (ESA) study and related FEIS work during the 1995-1999 Capital Program. (See Cost and Schedule Summary before Attachment “B”)

Project Cost Management and Control: MTACC’s work breakdown structure allows for effective monitoring, control, and reporting of project costs and expenditures. The PMOC will continue monitoring MTACC’s budget control system during the final design, construction, and test phases.

Change Orders: Utilizing MTACC’s Additional Work Order Status Log, the PMOC monitors the change order process monthly. The table below shows the status of change orders for professional service and construction contracts approved and negotiated as of *August 31, 2009*

| Professional Service/Construction | Total # of Approved and Negotiated Change Orders | \$ Value | % of Award Value |
|-----------------------------------|--|--------------|------------------|
| DHA (Contract Mod.) | 3 | \$33,459,986 | 23.3% |
| Contract 1 (C-26002) | 54 (4 credits) | \$10,538,312 | 3.1% |
| <i>Contract 2A (C-26005)</i> | <i>1</i> | <i>\$0.0</i> | <i>0</i> |
| <i>Contract 5A (C-26013)</i> | <i>--</i> | <i>--</i> | <i>--</i> |

C. PROJECT SCHEDULE STATUS

Revision 3 Update 29, (dated January 13, 2009,) of MTACC's SAS Phase 1 Integrated Construction Schedule was issued on January 14, 2009. This schedule reflects a revised contract packaging plan of eleven construction contracts (previously twelve) and a delay of the Revenue Operations Date (ROD) to December 30, 2016. It must be noted that the December 30, 2016 ROD is approximately 30 months past the Baseline ROD of June 30, 2014 noted in FFGA (Attachment 4). Various activities were identified as having an impact on the ROD such as: inefficiencies of the tunnel boring contractor; increase in time for the procurement process; additional hand-off float from contractor to contractor; and changes in the integrated testing and commissioning methodology. The PMOC has concluded, based on the analysis of the schedule as part of the Risk Assessment, that the ROD has the potential to slip an additional eight to eighteen months beyond December 30, 2016. The actual additional slippage will depend on MTACC's level of Risk Mitigation.

D. DESIGN ENGINEERING STATUS

Design Management

MTACC awarded the Final Design (FD) of Phase 1 to DHA on April 18, 2006 at a value of approximately \$143.485 million (\$116.000 million FD and \$27,485 million construction phase design support). Three modifications to DHA's contract valued at \$33,459,986 have been approved. DHA's current final design contract is valued at \$176,944,986.

Final design was forecast to be completed on December 18, 2009. Because of environmental requirements associated with an entrance at both the 72nd and 86th Street Stations, and efforts on the systems design, the completion of FD has been reforecast to *March 1, 2010*. *The March 1, 2010 date is a loss in time over last month. However this is well in advance of the procurement times for most of the remaining contracts.* FD is reported by MTACC to be 95.0% complete as of August 2009.

Design Construction support services will continue through the completion of construction. Working Group meetings are ongoing to support the final design of the outstanding contract packages. Details of each contract package are presented below with final design completion dates as indicated in DHA's Final Design Schedule Update #35:

- Contract 1 - C 26002 (TBM Tunnels from 92nd St. to 63rd ST.) FD was completed in June 2006 (TBM Tunnels)
- Contract 2A - C 26005 (96th Street Station Structure and Heavy Civil) FD was completed in February 2008.
- Contract 2B - C 26010 (96th Street Station: utility restoration, construction of the above ground structure of the entrances and ancillary facilities, remaining invert slab, street, sidewalk and tree restoration finishes and installation of mechanical, electrical and plumbing equipment). The FD (95% submittal) was submitted to the CCM and NYCT for review. The review is on going. FD is scheduled to be completed on September 4, 2009.
- Contract 3 - C 26006 (63rd Street Station: upgrade involving open-cut excavation for the construction of entrance and ancillary facilities, removal and upgrade of the structural elements within the existing tunnel, and traction power connection to the

Lexington Avenue Station on the Q Line). FD is scheduled to be completed on December 18, 2009 and is currently 61.00 % complete.

- Contract 4A - C 26014 (72nd Street Station: demolition of existing building and relocation of utilities that will prepare the site for construction). The FD (95% submittal) was submitted to the CCM and NYCT for review. Review comments were submitted to DHA for incorporation into the design. *Final design was completed on August 4, 2009.*
- Contract 4B - C 26007 (72nd Street Station: construction of the cavern and the G3/G4 tunnels to the existing 63rd St. /Lexington Avenue Station). FD (95% submittal) is scheduled to be completed on September 18, 2009. CCM and NYCT comments are to be received and incorporated by November 19, 2009.
- Contract 4C - C 26011 (72nd Street Station: construction of ancillary finishes, installation of station finishes and mechanical, electrical and plumbing equipment). FD (95% submittal) is scheduled to be completed on December 18, 2009. CCM and NYCT comments are to be received and incorporated by February 1, 2010.
- Contract 5A - C 26013 (86th Street Station: utility relocation, open excavation and road decking that will prepare the site for construction). FD was completed in February 2009.
- Contract 5B - C 26008 (86th Street Station: construction of the station cavern, entrances and access shafts). FD (95% submittal) is scheduled to be completed on September 24, 2009. CCM and NYCT comments are to be received and incorporated by December 11, 2009.
- Contract 5C - C 26012 (86th Street Station: construction of the ancillary facilities and the installation of station finishes and the mechanical, electrical, and plumbing equipment). FD (95% submittal) was completed on July 27, 2009. CCM and NYCT comments are to be received and incorporated by September 22, 2009.
- Contract 6 - C 26009 (Systems, Power, Signals and Communications; includes the installation of the low-vibration track, aluminum rail, way-side signals, and all communication components, integration of the communication network with the NEP SCADA system and commissioning the system for revenue service). FD is scheduled to be completed on *March 1, 2010.*

E. CONSTRUCTION STATUS

Construction Management

On May 31, 2007, MTACC awarded a contract to PB America (PB) to perform Construction Management services for Phase 1 of the SAS project. As Consultant Construction Manager (CCM), PB will provide services for 91 months with a not-to-exceed value of \$80.9 million. PB's budget was subsequently increased to \$91 million to support the 11 Contract Packaging Plan and various constructability reviews. *Total expenditure as of August 31, 2009 is \$9,174,235.*

PB is playing an active role coordinating activities among the various agencies, the construction contractors, and the SAS Project Team. Job Progress Meetings are being held bi-weekly to keep

all parties informed. PB is conducting on-board reviews of the design packages associated with the 72nd Street Station.

Tunnels from 92nd to 63rd Streets

Description: Contract (1) C 26002 provides for the construction of tunnels between 92nd Street and the existing Lexington Ave. /63rd Street Station, using a Tunnel Boring Machine (TBM) and other mining methods. It includes all preparatory work for tunneling, such as utility relocation and construction of a launch box and two vertical shafts. It also includes preparatory work for the subsequent contracts, such as maintenance of electrical and other facilities. Contract C 26002 was awarded to S3 Tunnel Contractors (a joint venture of Skanska, Schiavone and Shea) on March 20, 2007 for \$337,025,000.

Schedule: Contract (1) C 26002 notice-to-proceed (NTP) was issued on March 20, 2007, with a July 20, 2010 completion date (duration 40 months). *At the August 2009 Schedule Review Meeting, an overview of Contract 1 progress was presented with a description of the work accomplished to date. Status through update 26 shows the contract is behind the adjusted schedule by four months. The adjusted schedule includes a negotiated 127 work day time extension to a substantial completion date of January 24, 2011. The time extension also extended Milestone #1 (turn over to 72nd Street Station) to April 5, 2010. The current forecasted completion for Milestone #1 is August 11, 2010 and substantial completion is June 2, 2011. These dates now appear to be optimistic based on the following paragraph.*

Construction Progress: *During August 2009, S3 continued excavation of soil and rock at the south end of the launch box between the south bulkhead and 93rd St. At the north end of the launch box only soil was excavated between 93rd and 94th St. (East Side). Because of the instability of the buildings at 1766 to 1772 Second Ave, the contractor could not blast to excavate the rock. This has a direct bearing on the launch of the TBM. The resolution of the issue is being developed by the buildings owners and the resumption of work is dependent on the buildings owner providing adequate stabilization. The timing of that is not known explicitly at this time. [Ref: SAS-04-0709] Installation of toe anchors and rock bolts continued with the excavation. The dewatering system was completed and is activated between 92nd and 95th St. On site installation, wiring, and testing of the TBM substation is on going.*

Work at the vertical shaft areas (69th and 72nd Street) continued with the excavation and installation of the water, gas, and steam utilities.

Budget: The budget for Contract (1) C 26002 is \$353,876,250. It is comprised of S3's bid price of \$337,025,000 plus a contingency of \$16,851,250. The contingency is 5% of the bid price and is allocated to cover additional work orders (AWOs). Total expenditure through August 31, 2009 is \$174,429,640. Fifty-four AWOs have been approved / negotiated for a total value of \$10,538,312. AWO's currently represent between 6% and 7% of expenditures. The contract is within budget with an estimate at completion (EAC) of \$347,563,312 (bid price plus approved/ negotiated AWOs).

Quality: *S3's quality control efforts during August 2009 focused on the inspection and test activities associated with utility relocations, installation of toe anchors and rock bolts, material delivery, and control of nonconforming material. Quality Assurance activities in the next six weeks will include an audit of its internal quality management system, and a final inspection of the tunnel boring machine.*

Safety: S3's safety program is on-going and effective. *The recordable incidents (1.99) and lost time accidents (.99) are below the national average.*

96th Street Station

Description: Contract (2A) C 26005 is the heavy civil/structural construction involving utility relocation, demolition of existing buildings, underpinning, slurry wall construction, excavation, and station invert slab of the 96th Street main station box, entrances and ancillary facilities. This contract was awarded to EE Cruz/Tully Construction Company (a joint venture) on May 28, 2009 for \$325,000,000.

Contract (2B) C 26010 is for the station finishes, installation of mechanical, electrical and plumbing systems in the station, installation of vertical conveyances, including elevators and escalators, utility restoration, construction of the above ground structure of the entrances and ancillary facilities, remaining invert slab, street, sidewalk and tree restoration, and retrofit of the existing tunnel between 99th and 105th Streets and the base slab of the new bored tunnel from 87th to 92nd Streets. The *anticipated* award date for this contract is March 31, 2011.

Schedule: Contract (2A) C 26005 notice-to-proceed was issued on May 28, 2009. Contract milestones are as follows: surface from 95th to 93rd Streets available (NTP + 22 months); north station area including ancillary # 2 completion (Milestone #1) (NTP + 30 ¼ months); underground station box from 95th to 93rd streets available (NTP + 32 months); ancillary #1, entrances #1 and #2, and south station area completion (Milestone #2) (NTP + 38 ¼ months); Substantial Completion (NTP + 43 ¼ months). The contractor submitted a preliminary CPM schedule (first 90 days), which was approved by MTACC. The baseline CPM was also submitted and is being reviewed by MTACC.

Construction Progress: *EE Cruz/Tully activities during August 2009 included on going: preconstruction survey and photo of buildings; gas main trench installation; relocation of fire hydrants in preparation for road paving; sidewalk cutbacks to 7feet to prepare for traffic shift to the west side.*

Budget: The budget for Contract (2A) C 26005 is \$341,250,000. It is comprised of EE Cruz/Tully Construction bid price of \$325,000,000 plus a contingency of \$16,250,000. The contingency is 5% of the bid price and is allocated to cover additional work orders (AWOs). *Total expenditure through August 31, 2009 is \$2,913,292. One AWO has been approved for a total value of zero dollars. The contract is within budget with an estimate at completion (EAC) of \$325,000,000 (bid price plus approved / negotiated AWOs).*

Quality: *In August 2009 MTACC approved EE Cruz/Tully Contractor's Quality Plan (CQP). The CQP addresses the 15 elements of the FTA Quality Assurance/Quality Control guidelines. Quality activities are coordinated with the construction schedule and a six-week quality look-ahead schedule is being maintained.*

Safety: *EE Cruz/Tully is being proactive with regard to safety. A Safety Manager is assigned to the project and safety orientation for new employees is on going.*

63rd Street Station Rehabilitation

Description: Contract (3) C 26006 includes the upgrade of the existing 63rd Street/Lexington Avenue Station. The work within this contract involves open-cut excavation for the construction

of entrance and ancillary facilities, removal and upgrade of the structural elements within the existing tunnel, and a traction power connection to the Lexington Avenue Station on the Q Line.

Schedule: Contract (3) C 26006 *anticipated award date* is July 30, 2010.

Construction Progress: N/A

Budget: N/A

Quality: N/A

Safety: N/A

72nd Street Station

Description: Contract (4A) C 26014 is for demolition of existing buildings and utility relocation. The scope is to prepare the construction site for construction staging and subsequent heavy civil construction work.

Contract (4B) C 26007 is for the construction of the station cavern and G3/G4 tunnels *from 72nd Street Station* to the existing 63rd Street/Lexington Avenue Station for the 72nd Street Station. Major construction work includes tunnel mining, tunnel lining, station cavern, station entrance, and elevator shafts.

Contract (4C) C 26011 is for construction of ancillary facilities, the installation of station finishes and the mechanical, electrical, and plumbing systems for the 72nd Street Station. Major construction work includes station electrical service, fan plant and pump room equipment, elevators and escalators.

Schedule: *Anticipated award dates for* Contract (4A) - November 30, 2009; for Contract (4B) - June 30, 2010; and for Contract (4C) - November 30, 2012

Construction Progress: N/A

Budget: N/A

Quality: N/A

Safety: N/A

86th Street Station

Description: Contract (5A) C 26013 is for utility relocations, open excavation and road decking. The scope of this contract is to prepare the site and provide access for the subsequent cavern and mechanical, electrical and plumbing contracts. This contract was awarded to J.D. Annunzio & Sons, Inc. on July 8, 2009 for \$34,070,039.

Contract (5B) C 26008 is for the construction of the station cavern and entrances. The scope of work includes mining of the station cavern, heavy civil work and construction of the station entrance and elevator shafts. Contract award is scheduled for January 31, 2011

Contract (5C) C 26012 is for construction of the ancillary facilities, the installation of station finishes and the mechanical, electrical and plumbing systems. The scope includes the installation of station electrical service, fan plant and pump room equipment, elevators and escalators. Contract award is scheduled for October 2, 2013.

Schedule: Contract (5A) notice to proceed was issued on July 8, 2008 with a substantial completion date of April 18, 2011. The preliminary CPM schedule for the first 90 calendar days was submitted to MTACC and subsequently returned with comments.

Construction Progress: Construction scope started by J.D. Annunzio & Sons includes: tree removal; meter removal; preconstruction survey and photo of buildings; and saw cut of the sidewalk.

Budget: The budget for Contract (5A) is \$35,773,541, which is comprised of the bid price of \$34,070,039 plus a contingency of \$1,703,502. The contingency is 5% of the bid price and is allocated to cover additional work orders (AWOs). *Total expenditure through August 31, 2009 is \$0.00. No AWOs have been approved / negotiated. The contract is within budget with an estimate at completion (EAC) of \$35,773,541 (bid price plus approved/ negotiated AWOs).*

Quality: *In August 2009 MTACC approved J.D. Annunzio & Sons Contractor's Quality Plan (CQP). The CQP addresses the 15 elements of the FTA Quality Assurance/Quality Control guidelines.*

Safety: N/A

Systems, Power, Signals, and Communication

Description: Contract (6) C 26009 provides for the construction of the tracks, signals, traction power and communication network and equipment for the SAS Phase 1 stations. The scope of work includes the installation of the low-vibration track, aluminum *third* rail, way-side signals, and all communication components. Also included is the integration of the communication network with the existing system and commissioning the system for revenue service.

Schedule: Contract (6) C 26009 *anticipated* award date is March 30, 2011.

Construction Progress: N/A

Budget: N/A

Quality: N/A

Safety: N/A

F. PROCUREMENT AND CONTRACTING ACTIVITIES

Contract Packaging Plan: The scope of work associated with Phase 1 of the SAS Project was initially defined in 6 Construction Packages (contracts). Following several reviews and a Construction Peer Review Workshop, MTACC agreed on a 12 contract packaging plan, which was submitted to the FTA in July 2008. At the FTA's Quarterly Meeting held on August 12, 2008, MTACC accepted the action item to provide the FTA the benefits of breaking the scope into 12 contract packages [Ref: SAS-A13-0808]. Subsequently, MTACC decided on 2 contracts for the 96th Street Station in lieu of 3 bringing the total to 11 contracts for Phase 1.

The PMOC has expressed its concerns regarding the additional coordination required by the CCM and MTACC staff as more contractors are brought on board, the number of contractors who would be required to work in the limited space and the possibility of additional claims if work areas are not available for follow-on contractors when scheduled. Revision 3 Update 29 of the SAS Phase 1 Integrated Construction Schedule addresses the PMOC concerns in that

additional hand-off float from contractor to contractor has been added. The packaging plan is being reevaluated as part of the PMOC's Risk Assessment.

Property Acquisition and Real Estate: MTA Real Estate is handling all real estate matters related to the SAS project and is responsible for acquiring the real estate interests needed for the project. MTA's real estate acquisition process is addressed in the Real Estate Acquisition Management Plan (RAMP) and the SAS Relocation Plan. The FTA gave conditional approval of the RAMP (dated May 2007) on November 15, 2007. On December 1, 2008, the MTA issued the final draft of the SAS Relocation Plan, which includes the Housing of Last Resort Plan (HLRP) (section 3.3), for FTA approval. On December 12, 2008, PMOC provided comments to the FTA on the final draft. FTA finalized its comments and issued a letter to the MTA on March 4, 2009 [Ref: SAS-A01-1007]. MTA Real Estate updated the HLRP and submitted it for FTA/PMOC comments on April 7, 2009. FTA/PMOC completed its review and provided comments to MTA in August 2009.

Real Estate concerns threaten to delay the work of building demolition prior to the commencing the 72nd Street Station cavern excavation contract. Demolition is currently planned for April 2010, but several administrative tasks must be completed before the building tenants can be relocated; and some of the tasks could take several months to complete. MTA estimates it will take 3-4 months to complete its legal process to relocate the 51 tenants affected. If there is a legal challenge, the process could take much longer and delay the critical path cavern contract that in-turn would delay the entire program. MTA is taking appropriate action to resolve this matter and is maintaining it as a high-profile issue until it is fully resolved.

FTA was also informed that two challenges were filed (State and Federal courts) with regard to the proposed relocation of entrance 3 of the 72nd Street Station. MTA's Real Estate is coordinating efforts with legal representatives of FTA Region 2 to resolve this issue. An option eliminating entrance 3 in the sidewalk was presented at a community board (Community Board 8) meeting in August 2008 and was favorably received. On September 12, 2008, a draft Environmental Assessment Schedule was presented to the FTA Regional Office for review. After reviews, comments and resubmittal, FTA approved the final environmental assessment on May 18, 2009. The document was publicly released in June 2009 with all comments due by July 3, 2009. The comment period was subsequently extended from July 3, 2009 to July 31, 2009. *Responses to comments were compiled and submitted to FTA in August 2009. It is anticipated that the FTA will issue a Finding of No Significant Impact (FONSI) in September 2009. [Ref: SAS-A02-0208]*

G. ROLLING STOCK:

NYCT has decided that a 60-foot rail car will be utilized on the SAS project. The RFMP will be updated to reflect this decision and address the impact on the total number of rail cars (train sets) required. [Ref: SAS-A17-0808] *NYCT will provide the funding for the rail cars. It is being proposed remove the funds from the project EAC (see Table 2 Cost and Schedule Summary at the end of this section). Currently, MTACC is budgeting \$157,000,000 for rolling stock.*

H. INTERAGENCY AND MASTER UTILITY PLANNING

Interagency and master utility planning is progressing as defined in Section 12 of the PMP. During Final Design coordination with utility providers to develop detailed plans for facility rearrangements and integration of these plans into the construction contract documents is

ongoing. Bi-weekly utility coordination meetings at the construction field office of the active contracts are being held. Work orders are being issued to secure the city's assistance to the project in the areas of public works engineering, and traffic engineering.

Among the major New York City agencies that will interface with the project are: New York City Department of City Planning (NYCDCP); New York City Fire Department (FDNY); New York City Department of Transportation (NYCDOT); New York City Medical Examiner; New York City Department of Environmental Protection (NYCDEP) and *New York City Department of Buildings (NYCDOB)*.

I. SYSTEM SAFETY AND SECURITY

On November 15, 2007, the FTA approved the SAS Safety and Security Management Plan (SSMP), noting however, that there was a vacancy in the Director of System Safety and Security position. As of June 30, 2008, MTACC hired a field Security Manager for its East Side Access Project. This person will also work on SAS until both projects are active enough to justify a separate Manager for SAS. The Safety and Security Manager position is shown on the latest SAS Organization Chart as a matrixed resource from MTACC's VP, Program Control, Quality, Safety and Site Security's office.

On the SAS project, DHA's System Safety Manager is supporting the design efforts and the CCM (PB Americas) Safety Manager is supporting construction efforts under the supervision of MTACC Chief-Quality and Safety. The SSMP is intended to provide an effective management process that applies the system safety and security discipline throughout design, construction, start-up, and operations and maintenance. The SSMP establishes the framework that the SAS Project will use to reduce hazards and vulnerabilities to the criteria specified in contract documents, as determined by MTACC.

The SAS Safety & Security committee made a presentation to the NYFD on July 14, 2009, which consisted of a project overview and fire life safety aspects of the project.

J. RISK ASSESSMENT AND RISK MITIGATION

The SAS Project Team and the FTA's Risk Assessment Team have worked effectively in addressing issues, which could impact the success of the project. They have developed a Risk Management Program through various workshops and mutual cooperation. The PMOC has documented the efforts of the Risk Assessment Team in various draft Spot Reports. On June 6, 2007 the PMOC forwarded the reports to FTA Headquarters for review. The PMOC will monitor the implementation of the Risk Management Program as the project progresses through the design, construction and test phases. The MTACC and FTA have identified and documented the risk mitigation initiatives in a scoping document for incorporation into the PMP. The MTACC updated the PMP in February 2008, and a formal submission was made in March 2008.

In November 2008, MTA notified FTA of a revised budget and schedule. During January 2009, the PMOC was provided with the revised Integrated Construction Schedule and cost estimate. During April 2009, modified PG33 and PG34 products were developed based on schedule and cost inputs being modeled under various assumptions. During May/June 2009, FTA and PMOC continued its refinement of the PG47 process. During July 2009, FTA/PMOC held numerous meetings with MTA and MTACC to review the Risk Assessment process and its subsequent Project Execution Plan (PEP). *Meetings continued during August 2009 to finalize the specific*

wording in the PEP. Final wording of the PEP is anticipated in September 2009. [Ref: SAS-A16-0808]

K. QUALITY ASSURANCE/QUALITY CONTROL

MTACC's Quality Manager for Second Avenue has implemented a Total Quality approach for monitoring the Quality Control and Quality Assurance activities on the Project. MTACC Quality Personnel audit both the Designer's and CCM's Quality programs; then the three groups (MTACC, Designer & CCM) audit the Contractors', Subcontractors' and Suppliers' Quality programs. In addition, each Contract C 26002's Quality Manager has a very ambitious Quality program that is scheduled 6 weeks into the future and lists the audits and inspections to be performed. The inspections follow the schedule of work to be performed in those 6 weeks. Materials being delivered for the work tasks are inspected prior to the work beginning and the quality of the work being performed is audited / inspected as it is being done. The status of Non-Conformance Notices and the responsibility to perform corrective actions is distributed monthly. Representatives from each quality organization meet every other week to address any quality concerns. The Quality Program continues to be proactive and is providing proper oversight.

L. COMMUNITY RELATIONS

As part of its community relations program, MTACC continues to conduct extensive public and community outreach. Activities include: liaison support at Construction Field Offices to handle daily concerns of pedestrians, residents and businesses; arranging meetings with community groups, condo boards, etc. to address concerns specific to their neighborhoods/buildings; providing email advisories to alert elected officials in advance of significant changes at the construction site or new construction activity; and addressing correspondence received through letters and emails regarding the SAS project.

TABLE 2 - COST AND SCHEDULE SUMMARY

| Project | Cost (in Dollars) | | | | | Schedule | | | |
|---|------------------------|-------------------------------------|-----------------------------------|--|-------------------------------------|----------------|---------------------------|------------------------------|----------------------------|
| | Original Budget | Latest Estimate at Completion (EAC) | Percent (%) Difference (+ or -)** | Spent Through 8/31/09 (Funding Report) | Percent (%) Complete Planned Actual | Award/NTP Date | Original Completion Date* | Actual Forecasted Completion | Original Duration (Months) |
| Contract 1 - Tunnel Boring S3 Joint Venture (Skanska/Schiavone/Shea) | \$337,025,000 | \$337,025,000 | | \$174,429,640 | 51 8% | 3/20/2007 | 7/20/2010 | 6/1/2011 | 40 mths |
| Contract 2A - 96th Street Station (EE Cruz/Tully) | N/A | \$325,000,000 | | \$2,913,292 | 0 9% | 5/28/2009 | 11/5/2012 | 11/5/2012 | 41 25 mths |
| Contract 3 - 63rd Street Station Name of Contractor | N/A | | | | | | | | |
| Contract 4 - 72nd Street Station Name of Contractor | N/A | | | | | | | | |
| Contract 5A - 86th Street Station (J D Annunzio & Sons, Inc) | N/A | \$34,070,039 | | | | 7/8/2009 | 2/8/2011 | 2/8/2011 | 19 mths |
| Contract 6 - Track and Systems Name of Contractor | N/A | | | | | | | | |
| Contracts to Be Bid | \$2,231,975,000 | \$2,273,904,961 | 41,929,961 0 | | | | | | |
| Total Construction | \$2,569,000,000 | \$2,970,000,000 | | | | | | | |
| OCIP (Insurance) | \$160,000,000 | \$172,000,000 | 12,000,000 0 | \$126,242,867 | 73 4% | | | | |
| TA Labor | \$28,000,000 | \$33,000,000 | 5,000,000 0 | \$101,632 | 0 3% | | | | |
| Engrg Force Account (Incl Contracts 1, 2A & 5A) | \$42,000,000 | \$70,000,000 | 28,000,000 0 | \$2,227,737 | 3 2% | | | | |
| 3rd Party Reimbursement | \$58,000,000 | \$64,000,000 | 6,000,000 0 | \$8,027,992 | 12 5% | | | | |
| Artwork Allowance | \$6,000,000 | \$6,000,000 | | | | | | | |
| Preliminary Engr & EIS | 240,814,507 | \$240,518,909 | -295,597 8 | \$238,221,206 | 99 0% | | | | |
| Final Design * | \$169,185,493 | \$204,481,091 | 35,295,598 0 | \$137,378,895 | 67 2% | 4/18/2006 | 4/18/2009 | 12/18/2009 | 36 months |
| Construction Mgmt | \$86,000,000 | \$96,000,000 | 10,000,000 0 | \$9,174,235 | 9 6% | 5/31/2007 | | | |
| Rolling Stock | \$157,000,000 | | -157,000,000 0 | | | | | | |
| Property Acquisition | \$245,000,000 | \$292,000,000 | 47,000,000 0 | \$56,069,806 | 19 2% | | | | |
| Contingency | \$129,000,000 | \$161,000,000 | 32,000,000 0 | \$9,478,192 | 5 9% | | | | |
| Project Reserve | | | | | | | | | |
| Executive Reserve ** | \$160,000,000 | \$142,000,000 | -18,000,000 0 | | | | | | |
| Subtotal | 4,050,000,000 | 4,451,000,000 | 401,000,000 2 | 764,265,493 | 17 2% | | | | |
| Financing | 816,614,000 | - | | | | | | | |
| Totals | 4,866,614,000 | 4,451,000,000 | 401,000,000 2 | 764,265,493 | 17 2% | | | | |
| SAY | | 4,451,000,000 | | | | | | | |

* FD Budget, EAC, Expenditures & Percentage - Include Design Consultant-DHA (FD, CSS, ODCs, DBEs) & FD In-House Admin , IQs, TAL & Reserve

The latest EAC of \$4,451B is reflected It is based on the revised budget, RE includes \$47M for Cost-to-Cure, a decrease of \$11M for escalators & SCADA and the deletion of RS

** The Reserve/ER budget of \$160M is reduced by \$18M for Value Engineering

*Note: Contingency expenditures include construction AWOs billed only.
Contract expenditures include labor only*

Attachment B -Summary of Concerns and Recommendations

| Pr | Item | Identification | Cat | Nature of Concern | PMO Recommendation | Grantee Action | | | Comments | Status |
|----|--|---------------------------------------|----------|--|--|----------------|---|---|---|--------|
| | | | | | | D | A | I | | |
| 1 | CLIN 0003 SubTask 12.a SAS-04-0709 | Launch box excavation potential delay | S2 S3 | Excavation of the launch box has been impacted due to the structural condition of adjacent buildings on the eastside of Second Avenue. | MTA must work with the owners and NYCDOB to expedite a solution that will allow blasting for excavation. | Y | Y | N | This is a Third Party problem that is not directly under the control of the Grantee. However, the Grantee needs to work with the building owner, S3, and NYCDOB to get the buildings structurally sound so blasting to excavate the rock can proceed. Development of an action plan is ongoing. | R |