



MEMORANDUM

DATE: December 14, 2012

TO: Honorable Mayor and Council
Members

FROM: Andrew H. Quigley
City of Tucson SunLink Co-Manager

SUBJECT: Modern Streetcar Vehicle Update

Last week I made a trip to the Oregon Ironworks (OIW) production facility for our regularly scheduled progress meeting. While progress has been made on our vehicles, it is unlikely that OIW will meet the schedule they outlined to me in September. OIW has allocated staff to the Portland vehicles due to continued design modifications. This has resulted in their inability to put sufficient labor on our vehicles to meet their schedule. Our first vehicle, (101) was scheduled to begin dynamic testing this month. OIW informed us that it will be pushed back until the end of January. Based upon the number of design drawings that need to be approved, it appears that the date will slip to the end of February. At my request, OIW will provide an updated schedule to reflect the above information.

OIW's contractual delivery date for Tucson's first car is the end of March. After that date, liquidated damages may be assessed in the event that OIW does not meet its contractual obligations. It is likely that it will not arrive until mid to late April. While one vehicle will allow us to begin our integrated systems testing, having a second vehicle operating on our system is most critical to successful completion of system testing. Our second car will not arrive until May or June.

OIW has not yet released their first vehicle to Portland. Earlier they reported it would be in testing on Portland Streetcar's track in October. Now that date is likely to be in early January. Portland requested that they modify the Portland 101 vehicle with a number of design changes which were installed on their second vehicle. Portland wanted their first two vehicles to be similarly constructed. Our team believes that these improvements will be beneficial to us as well.

Our first priority is to ensure that these vehicles are safe and reliable. Therefore, it is important that our schedule reflect these values. I know that OIW is committed to providing us a quality product. These production and design changes will benefit us in the long run. I am also confident that OIW will improve their production rate schedule over time. However, it is likely that our revenue service date will slip into the second quarter of 2014. My next scheduled team visit will be in January. At that time I will have a better assessment on the potential impact to our streetcar opening date. In addition, I will work with our RTA and FTA partners on the process of revising our approved revenue service date.

AHQ/dg

cc: Richard Miranda, City Manager
Liz Miller, Deputy City Manager
Kelly Gottschalk, Assistant City Manager / CFO
Albert Elias, Assistant City Manager
Dan Sullivan, Pima County Regional Transportation Authority Co-Manager