

**July 2016 CPOC
IEC Monthly Update**



Second Avenue Subway



July 25, 2016

Budget Review

- The Project cost contingency was reduced to \$32M. This reduction does not include pending MTACC re-estimates of its soft costs for construction management and engineering support.
- Last month's project construction expenditures have increased again to \$59M which is above the average of \$46M needed to support the schedule to complete all remaining contract work by December 2016.



Schedule Review

The IEC's review of the Project's schedule progress for June raised these concerns:

- 2 out of 8 of the schedule milestones due in June will meet their target dates within the 30 day grace period. The overall schedule milestone completion through the end of June is 23 of 33 (70%) which is less than the 80% reported last month for the milestones due through May. Delay in the provision of communications infrastructure was the primary cause of the disappointing performance in June.
- The test program has slipped further behind the schedule for test completion – out of a total of 608 tests scheduled through the end of June, 336 (55%) were completed by the end of June which is a reduction in the 67% of scheduled tests completed through the end of May.
- MTACC has postponed the scheduled start of Pre-Revenue Operations Training for NYCT by 30 days to October 1, 2016.



Schedule Review

Based on the project's reports and IEC field observations of station construction progress, the IEC finds that the project is not on schedule and has fallen further behind schedule in the month since our last report in June.

The Project Team now needs to implement and maintain a revised schedule for completion of testing and for meeting the Revenue Service Date.



Schedule Risk

With 5 months to go to December's Revenue Service Date, the IEC believes these issues pose a significant risk to project completion:

- **Pace of the Testing Program** – the rate of test completions needs to be substantially increased over that achieved in June.
- **Installation of the Communication Systems** – the Systems Contractor needs to recover the delays to installations.
- **Backlog of Final Changes** – the quickened execution of last minute alterations to station and system layouts must continue.
- **Station Room Inspections** – the close-out of final inspections of all rooms and spaces is becoming critical for project completion.

