



**Regional  
Transportation  
Authority**

## Capital Program Report Third Quarter 2007

---

### Table of Contents

Introduction and Definitions -----	1
Capital Program Activity -----	3
<b>Obligations</b>	
Regional-----	4
CTA -----	5
Metra-----	6
Pace-----	7
<b>Expenditures</b>	
Regional-----	8
CTA -----	9
Metra-----	10
Pace-----	11
<b>Strategic Capital Improvement Program (SCIP) Status</b> -----	12
<b>Project Highlights</b>	
CTA -----	13
Metra-----	14
Pace-----	15

# Capital Program Report

Third Quarter 2007

---

## Introduction and Definitions

As required by the *RTA Act*, each year, after public hearings, the RTA must adopt a five-year capital program that describes, by year, the nature, location and cost of all capital projects. Subsequent amendments to the capital program may occur due to funding shifts and Service Board priority changes. The *Capital Program Report* describes the status and actions of *Previous Programs* and the current *Annual Program* (2007 for this report). Definitions associated with Program activities are described below.

### Grant Awards

The Service Boards receive grants from funding agencies, primarily the RTA, the Illinois Department of Transportation (IDOT) and the Federal Transit Administration (FTA). These grant awards are for projects included in the RTA's *Annual Program*. The RTA issues grant agreements (or awards) to the Service Boards based on their applications that reflect their approved capital program and marks. The capital marks reflect funds available to the Service Boards. Grant awards also include projects funded with monies such as bond proceeds or operating surpluses provided through the Service Boards' adopted budgets.

### Obligations

In contrast to operating funds, which are used to provide mass transit services, the Service Boards use capital funds to repair, replace, and enhance their capital assets. The Service Boards *obligate* capital funds when they sign a contract with a third party (such as a vendor, consultant or contractor) or when they reserve the funds to pay the Service Boards' own labor to perform the work.

### Expenditures

The Service Boards expend funds when they incur costs for the work completed by a third party (such as a vendor, consultant or contractor) or by the Service Boards' own labor.

### Annual Program

The RTA five-year capital program is comprised of two elements: *Annual Program* that represents the current fiscal year, and an out-year program that represents future programming years.

### Previous Programs

This section contains a collection of all previous *Annual Programs* as adopted yearly by the RTA Board. Please note that in this report the *Previous Programs* exclude completed and closed grants. Therefore, the total amount may be less than the originally approved amount per any given *Annual Capital Program*.

# Capital Program Report

Third Quarter 2007

---

## Introduction and Definitions (continued)

### SCIP bonds

The *Illinois FIRST* legislation of 1999 was directed towards improving the state's infrastructure. As part of the state's *Illinois FIRST* Program, the RTA's authorization to issue Strategic Capital Improvement Program (SCIP) bonds was increased by \$1.3 billion to \$1.8 billion. This authorization became effective in \$260 million increments each January 1, starting with 2000. The State of Illinois pays the RTA an amount equal to the debt service on these bonds. The Governor must approve a SCIP Plan prior to the use of SCIP bond proceeds to pay for any project in the Plan.

In 2006, an amendment to the *RTA Act* clarified that the SCIP program includes all of the "net available proceeds" from the SCIP bonds. An ordinance passed by the RTA Board amended the Capital Improvement Plan to add \$113.3 million in project funding, bringing the total project funding from additional SCIP bonds to \$1,413.3 million.

In the *Capital Program Report*, SCIP bonds refer to the additional \$1,413.3 million in SCIP bonds authorized by *Illinois FIRST*.

### Un-obligated

The *Un-obligated* amount is the grant award total less the obligated amount.

### Federal Un-obligated Balance

The *Federal Un-obligated Balance* is the un-obligated funding for all projects financed with federal and matching local grants. The *RTA Act* requires that the *Federal Un-obligated Balance* for the region must be below \$350 million to allow the RTA to submit SCIP projects to the Governor for approval. The *RTA Act* does allow the Governor to waive this requirement.

### Un-expended

The *Un-expended* amount is the grant award total less the expended amount.

# Capital Program Report

## Third Quarter 2007

(In millions of dollars)

### Capital Program Activity

Once the capital program is adopted by the RTA Board, the Service Boards can apply for grants from various funding agencies, such as the Federal Transit Administration (FTA), Illinois Department of Transportation (IDOT) and the RTA. As a reminder, the State Fiscal Year (SFY) starts on July 1st, or six months prior to the RTA's calendar year, and the Federal Fiscal Year (FFY) starts on October 1st, or three months prior to the RTA's calendar year. Under normal circumstances, all funds (RTA, FTA, and IDOT) would be available on January 1st to issue grants to the Service Boards. However, in the last few years due to Congressional delays, the allocation of federal funds was delayed until after the beginning of the calendar year (January-March). The table below summarizes the last two years of capital program grant award activities versus the adopted capital program (new awards only).

	<u>2006 Annual Program</u>	<u>Grant Awards thru 09/30/07</u>
CTA	\$302.6	\$292.3
Metra	197.6	189.9
Pace	21.3	20.8
<b>All Service Boards</b>	<b>\$521.5</b>	<b>\$503.0</b>

	<u>2007 Annual Program</u>	<u>Grant Awards thru 09/30/07</u>
CTA	\$342.1	\$334.1
Metra	124.2	113.8
Pace	13.1	10.2
<b>All Service Boards</b>	<b>\$479.4</b>	<b>\$458.1</b>

As summarized in the table above, almost all of the funding for the 2006 Annual Capital Program has been awarded or otherwise available to the Service Boards. The remaining un-awarded funds are primarily from federal flexible discretionary funding sources such as the Section 5309 Bus and Bus Facilities and Section 5339 Alternative Analysis. The Service Boards expect the award of all these funds by various federal agencies in the near future.

As of the end of the third quarter 2007, capital grants issued to the Service Boards represent 96 percent of the 2007 Capital Program. The FTA has now awarded the Service Boards their 2007 formula fund grants. The remaining un-awarded funds are primarily the federal discretionary bus and flexible fund grants.

# Capital Program Report

## Third Quarter 2007

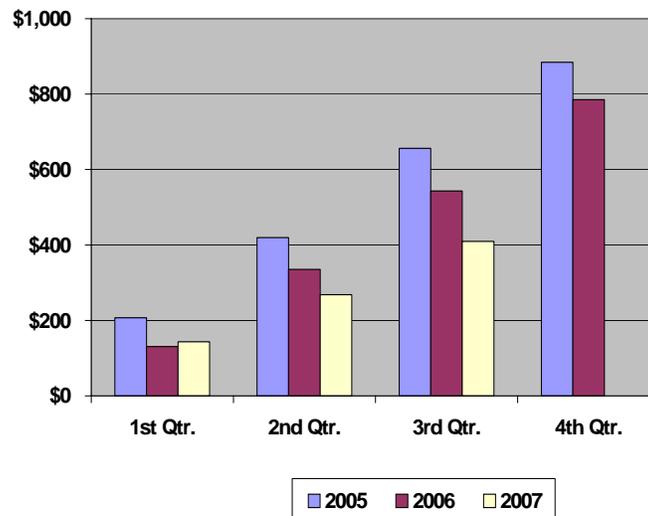
(In millions of dollars)

### Regional Obligations

	Un-obligated as of 12/31/06	January-September Grant Awards	January-September Obligations	Un-obligated as of 09/30/07
2007 Capital Program	N/A	\$458.1	\$80.7	\$377.4
Previous Programs	579.1	29.0	328.6	279.5
<b>Total</b>	<b>\$579.1*</b>	<b>\$487.1</b>	<b>\$409.3</b>	<b>\$656.9</b>

\*Total un-obligated amount excludes grants closed by the Service Boards through September 30, 2007. Obligated amounts reflect the actual obligations for grants awarded to date plus amounts equal to contract obligations under the CTA's advance contract authority for the Brown Line Capacity Expansion project.

### Cumulative Regional Obligations by Quarter



The obligations for the third quarter of 2007 for the Service Boards totaled \$141 million of the \$409.3 million obligated through the first nine months of the year.

The regional un-obligated balance as of September 30, 2007 was \$656.9 million. For the same period in 2006 and 2005, this balance was \$877 million and \$724.2 million respectively. During the last three years, the region's un-obligated balance decreased by \$67.3 million.

# Capital Program Report

## Third Quarter 2007

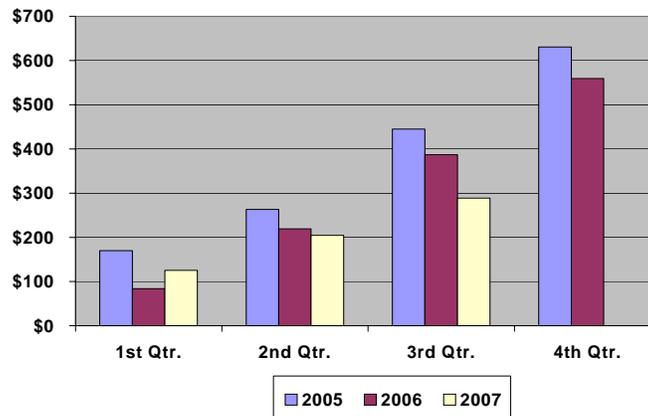
(In millions of dollars)

### CTA Obligations

	Un-obligated as of 12/31/06	January-September Grant Awards	January-September Obligations	Un-obligated as of 09/30/07
2007 Capital Program	N/A	\$334.1	\$ 21.6	\$312.5
Previous Programs	345.4	17.0	267.3	95.1
<b>Total</b>	<b>\$345.4*</b>	<b>\$351.1</b>	<b>\$288.9</b>	<b>\$407.6</b>

\*Total un-obligated amount excludes grants closed by the CTA through September 30, 2007. Obligated amounts reflect only the actual obligations for grants awarded to date plus amounts equal to contract obligations under the CTA's advance contract authority for the Brown Line Capacity Expansion project.

### CTA Cumulative Obligations by Quarter



The third quarter of 2007 obligations for the CTA totaled \$84.5 million of the \$288.9 million obligated through the first three quarters of 2007. These obligations include \$66.5 million for the construction of the Washington Intermodal Station and \$16.1 million for the rehabilitation of track in the State Street and Dearborn subways.

The CTA's un-obligated balance as of September 30, 2007 was \$407.6 million which is slightly above the CTA average annual program for the past five years. The CTA is currently in the process of re-programming a significant amount of funds from completed or lower priority projects to higher priority projects that utilize these funds.

# Capital Program Report

## Third Quarter 2007

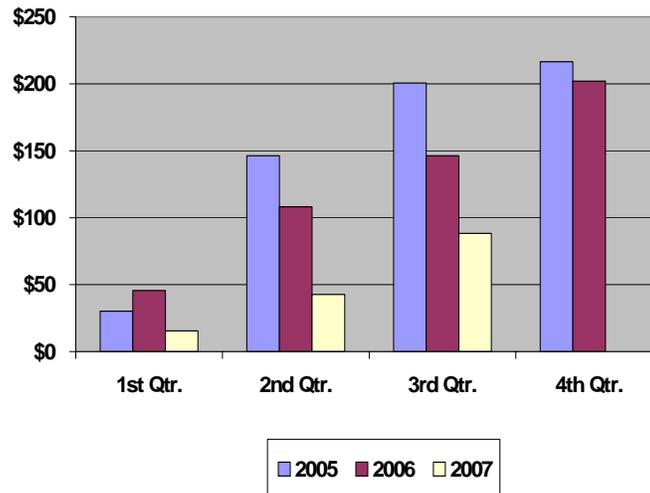
(In millions of dollars)

### Metra Obligations

	Un-obligated as of 12/31/06	January-September Grant Awards	January-September Obligations	Un-obligated as of 09/30/07
2007 Program	N/A	\$113.8	\$55.9	\$57.9
Previous Programs	179.1	2.1	32.4	148.8
<b>Total</b>	<b>\$179.1*</b>	<b>\$115.9</b>	<b>\$88.3</b>	<b>\$206.7</b>

\*Total un-obligated amount excludes closed grants by Metra through September 30, 2007.

### Metra Cumulative Obligations by Quarter



Metra's third quarter of 2007 obligations totaled \$45.6 million of the \$88.3 million obligated in the first three quarters of the year. These obligations include \$9 million to rehabilitate commuter cars for the Burlington Northern Santa Fe (BNSF) and Milwaukee District lines, \$2.3 million to rehabilitate 20 bridges on the Rock Island Line and \$2.1 million to replace wheel sets on locomotives and commuter cars. It also included \$1.9 million to install fiber optic cable on the BNSF Line and \$1.8 million to renew the Gresham interlocker on the Rock Island District.

Metra's un-obligated balance as of September 30, 2007 of \$206.7 million is less than Metra's average annual capital award for the last five years. In view of Metra's history for obligating funds, this is not an unreasonable amount for un-obligated funds.

# Capital Program Report

## Third Quarter 2007

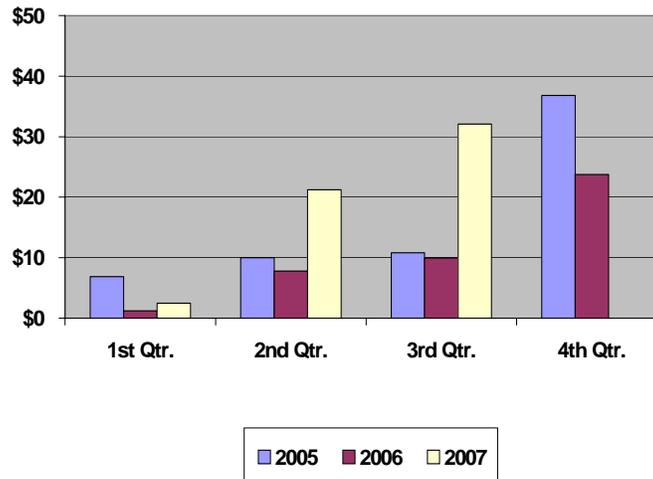
(In millions of dollars)

### Pace Obligations

	Un-obligated as of 12/31/06	January-September Grant Awards	January-September Obligations	Un-obligated as of 09/30/07
2007 Program	N/A	\$ 10.2	\$3.1	\$7.1
Previous Programs	54.5	9.9	29.0	35.4
<b>Total</b>	<b>\$54.5*</b>	<b>\$20.1</b>	<b>\$32.1</b>	<b>\$42.5</b>

\*Total un-obligated amount excludes grants closed by Pace through September 30, 2007.

### Pace Cumulative Obligations by Quarter



Pace obligated \$10.9 million in the third quarter of 2007 of the \$32.1 million obligated through the first nine months of 2007. These obligations include \$9.9 million to purchase paratransit vehicles.

The large obligation in the fourth quarter of 2005 was associated with the purchase of 96 fixed route buses.

Pace has an un-obligated balance of \$42.5 million as of the end of the third quarter. This is more than Pace's average capital program award of \$31.9 million for the last five years. However, Pace anticipates awarding several major capital contracts in the fourth quarter of 2007 and the first quarter of 2008 to reduce this un-obligated balance.

# Capital Program Report

## Third Quarter 2007

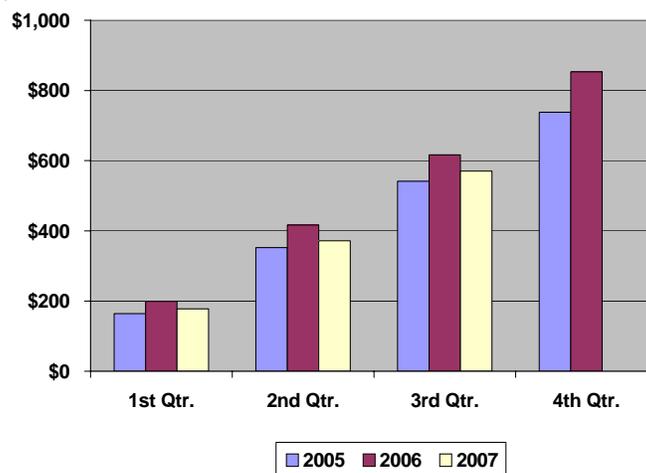
(In millions of dollars)

### Regional Expenditures

	Un-expended as of 12/31/06	January-September Grant Awards	January-September Expenditures	Un-expended as of 09/30/07
2007 Program	N/A	\$458.1	\$28.7	\$429.4
Previous Programs	1,454.9	29.0	541.7	942.2
<b>Total</b>	<b>\$1454.9*</b>	<b>\$487.1</b>	<b>\$570.4</b>	<b>\$1,371.6</b>

\*Total un-expended amount excludes grants closed by the Service Boards through September 30, 2007.

### Cumulative Regional Expenditures by Quarter



Expenditures in the third quarter of 2007 were \$198.6 million of the \$570.4 million expended by the Service Boards for the first three quarters of the year.

The regional un-expended balance as of September 30, 2007 equaled \$1.3 billion. For the same time period in 2006 and 2005, the un-expended balance was \$1.7 billion and \$1.2 billion respectively. On an average in the last five years, the Service Boards expended \$839 million per year, with \$703 million in estimated total expenditures in 2007.

# Capital Program Report

## Third Quarter 2007

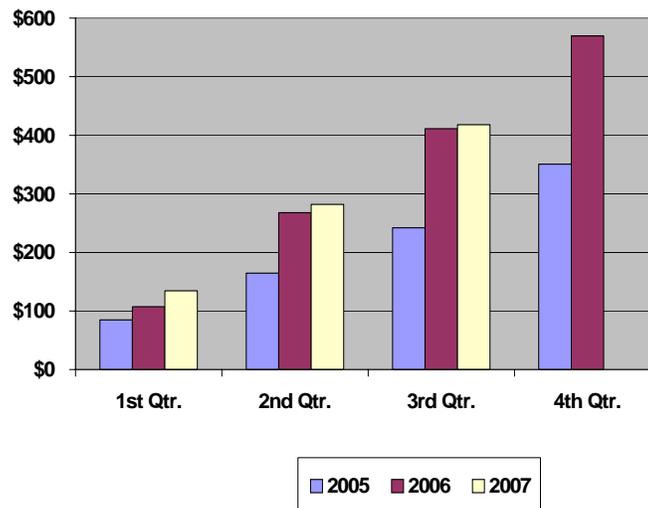
(In millions of dollars)

### CTA Expenditures

	Un-expended as of 12/31/06	January-September Grant Awards	January-September Expenditures	Un-expended as of 09/30/07
2007 Program	N/A	\$334.1	\$15.7	\$318.4
Previous Programs	979.7	17.0	402.4	594.3
<b>Total</b>	<b>\$979.7*</b>	<b>\$226.1</b>	<b>\$418.1</b>	<b>\$912.7</b>

\*Total un-expended amount excludes grants closed by the CTA through September 30, 2007.

### CTA Cumulative Expenditures by Quarter



The third quarter of 2007 expenditures for the CTA totaled \$136.1 million of the \$418.1 million expended for the first three quarters of 2007. These expenditures include \$36.9 million for the Brown Line capacity expansion, \$24.4 million for the construction of the Washington Intermodal Station, \$12.7 million for the purchase of replacement buses, and \$11 million for the upgrade and the replacement of signal and power distribution systems.

The un-expended balance as of September 30, 2007 for the CTA was \$912.7 million. This balance decreased \$280.8 million for 2006 and \$114.5 million from 2005. On an average, the CTA expended \$467 million per year in the past five years.

# Capital Program Report

## Third Quarter 2007

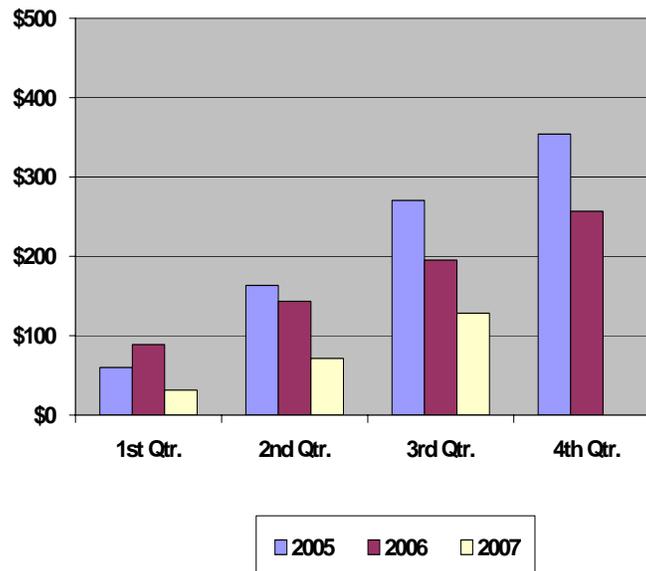
(In millions of dollars)

### Metra Expenditures

	Un-expended as of 12/31/06	January-September Grant Awards	January-September Expenditures	Un-expended as of 09/30/07
2007 Program	N/A	\$113.8	\$12.9	\$100.9
Previous Programs	380.0	2.1	115.4	266.7
<b>Total</b>	<b>\$380.0*</b>	<b>\$115.9</b>	<b>\$128.3</b>	<b>\$367.6</b>

\*Total un-expended amount excludes grants closed by Metra through September 30, 2007.

### Metra Cumulative Expenditures by Quarter



The third quarter of 2007 expenditures for Metra were \$56.9 million of the \$128.3 million expended through the first nine months of 2007. These expenditures include \$9.4 million for completing work for Metra's three New Start projects, \$7 million for the replacement of ties and ballast and \$3.9 million for the replacement of bridges on the Rock Island District. It also includes \$3.5 million to reconstruct six stations on the Electric District South Chicago Branch and \$2.9 million to improve parking at the Geneva Station on the Union Pacific West Line.

Metra's un-expended balance as of September 30, 2007 was \$367.6 million which is \$27.8 million lower than that for the same period in 2006 and \$152.3 million lower than the same period in 2005. For the last five years, Metra's average annual expenditure were \$364 million which is close to the un-expended balance as of September 30, 2007.

# Capital Program Report

## Third Quarter 2007

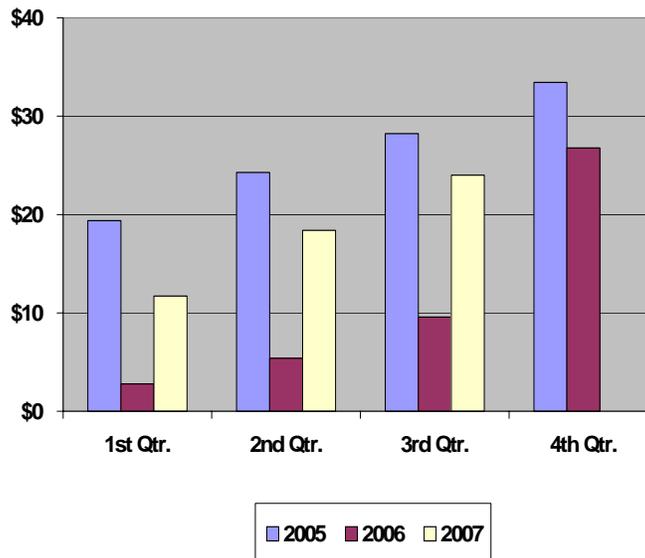
(In millions of dollars)

### Pace Expenditures

	Un-expended as of 12/31/06	January-September Grant Awards	January-September Expenditures	Un-expended as of 09/30/07
2007 Program	N/A	\$10.2	\$0.0	\$10.2
Previous Programs	95.2	9.9	24.0	81.1
<b>Total Funds</b>	<b>\$95.2*</b>	<b>\$20.1</b>	<b>\$24.0</b>	<b>\$91.3</b>

\*Total un-expended amount excludes grants closed by Pace through September 30, 2007.

### Pace Cumulative Expenditures by Quarter



The third quarter of 2007 expenditures for Pace were \$5.6 million of the \$24 million expended in the first three quarters of the year. This includes \$1.4 million for the purchase of vans for the vanpool, \$0.9 million for the purchase of fixed route buses, \$0.9 for the purchase and installation of the Enterprise Resource Planning system and \$0.6 million for the purchase of community vehicles.

The un-expended balance as of September 30, 2007 for Pace was \$91.3 million. For the past five years, Pace expended an average of \$40.3 million per year. Based on this annual amount of expenditures, it will take Pace a little over two years to expend all available funds. This balance has been declining in the last three years. For the same time period in 2006, Pace's un-expended amount was \$105.5 million and in 2005 the amount was \$114.4.

# Capital Program Report

Third Quarter 2007

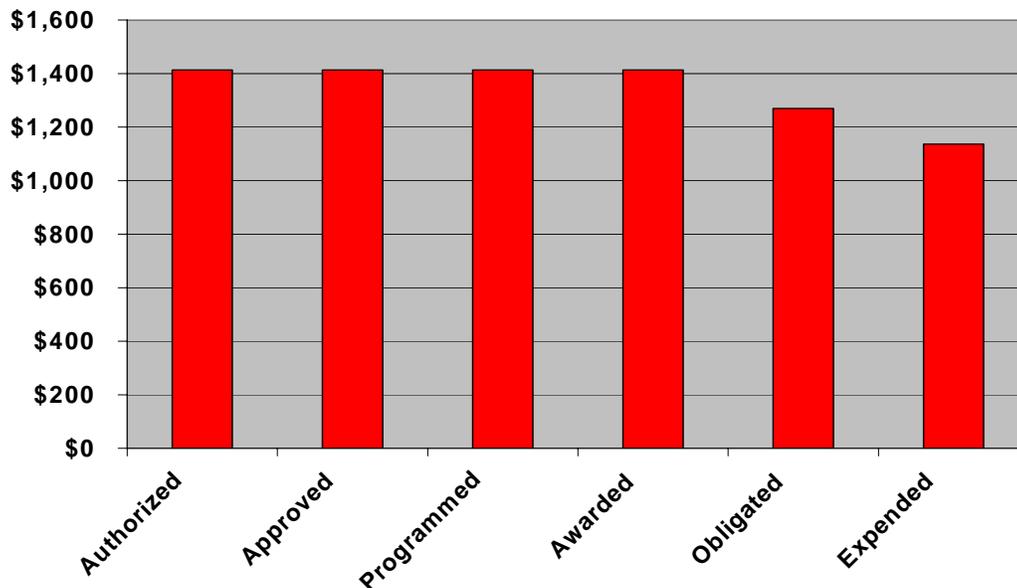
(In millions of dollars)

## Strategic Capital Improvement Program (SCIP) Status

### Regional

Authorization Year	Authorized	Approved	Programmed	Awarded	Obligated	Expended*
2000	\$260.0	\$260.0	\$260.0	\$260.0	\$258.7	\$254.8
2001	260.0	260.0	260.0	260.0	251.1	240.7
2002	260.0	260.0	260.0	260.0	237.8	228.2
2003	260.0	260.0	260.0	260.0	225.3	206.1
2004	260.0	260.0	260.0	260.0	215.7	190.4
2006	113.3	113.3	113.3	113.3	80.7	16.1
<b>Total</b>	<b>\$1,413.3</b>	<b>\$1,413.3</b>	<b>\$1,413.3</b>	<b>\$1,413.3</b>	<b>\$1,269.3</b>	<b>\$1,136.3</b>

\*Projects remain identified with a specific bond issue for reporting purposes only. Actual payments use the earliest bond proceeds available.



In 2006, an amendment to the RTA Act clarified that the SCIP Plan can include projects that do not exceed “the proceeds of” SCIP Bonds. This permitted the RTA to program an additional \$113.3 million of SCIP projects bringing the approved SCIP budget to \$1,413.3 million. All of the SCIP grants for these new funds have been awarded to the Service Boards. The Service Boards have obligated approximately 90 percent and expended 80 percent of the approved SCIP budget.

# Capital Program Report

## Third Quarter 2007

---

### Project Highlights

#### CTA

##### Expand Capacity for the Brown Line

During the third quarter of 2007, FHP Techtonics Corporation (FHP) installed canopies and lighting for the new northbound platform and columns for the new tracks 2 and 3 at the Belmont Station. In addition, FHP installed columns, erected structural steel and constructed forms for the track bed for tracks 2 and 3 at the Fullerton Station.

At the Armitage Station, FHP poured concrete for the foundations for the station house and elevators, installed platform steel and constructed new stairs to the platforms. At the Sedgwick Station, FHP poured concrete for the foundations, installed the structural steel and began masonry work for the station house and elevators. FHP also worked on the station interior including installing lighting, woodwork and the metal ceiling. At the Chicago Station, FHP poured the foundations for the station house and elevators.

At the Montrose and Addison stations, McHugh Construction Co. (McHugh) erected the structural steel for elevators and began exterior masonry work for the station houses and elevators, installed the elevator cabs and installed platform steel and wood decking. McHugh also started interior work for the station houses.

At the Diversey and Southport stations, FHP replaced column foundation bases for the elevated structure near the stations and demolished the old platforms and canopy roofs. At the Southport Station, FHP also installed platform steel, poured the station and elevator foundations and installed the elevator tower steel structure.

##### Purchase 1,095 Low-Floor Buses

This purchase includes 1,030 New of America (New Flyer) buses, 20 hybrid buses and 45 30' buses. During the third quarter, New Flyer delivered 59 low-floor standard buses. New Flyer has delivered a total of 483 of these buses to date. In the prior quarter, the CTA exercised the final two options in their contract with New Flyer to purchase an additional 400 buses for a total of 1,030 buses.

In addition, New Flyer delivered the last eight of ten diesel-electric hybrid buses equipped with a series drive system. For this system, electric motors power the bus and a diesel engine is used exclusively to drive a generator which charges the bus batteries for these motors. New Flyer has previously delivered ten hybrid buses to the CTA with parallel drive systems which are similar to the drive systems in hybrid automobiles.

During this quarter, the CTA received final two of 45 thirty foot buses from Optima Bus. These buses are shorter and narrower than the CTA's standard buses. They have been assigned to routes on narrow streets and routes with lower peak-hour ridership.

##### Upgrade Signal and Traction Power Control Systems

The CTA has contracted with Aldridge Mass, a Joint Venture, (AM) to upgrade and replace the signal and traction power control systems on the Blue Line between the Des Plaines Station on the Congress Branch and the Jefferson Park Station on the O'Hare Branch including the Dearborn Subway. During this quarter, AM completed work for new interlockers at Western and Kedzie and installed the Forest Park relay house on the Congress Branch. The CTA placed new cab signals into service on this branch

# Capital Program Report

## Third Quarter 2007

---

### CTA (cont.)

between the Des Plaines Station on the Congress Branch and the Jefferson Park Station on the O'Hare Branch including the Dearborn Subway. During this quarter, AM completed work for new interlockers at Western and Kedzie and installed the Forest Park relay house on the Congress Branch. The CTA placed new cab signals into service on this branch between the Forest Park terminal and the Pulaski interlocking.

In the Dearborn Subway, AM installed new switch room equipment in the Chicago signal room and continued the installation of signal, communication and traction power cable. In the Kimball Subway, AM did electrical work in the Belmont signal room and started the installation of tunnel lighting in the subway.

On the Milwaukee elevated section of the Blue Line, AM installed new signal platforms and started construction of a new foundation for the California relay house.

The CTA previously awarded a contract to Divane Brothers Electric Company (Divane) to replace the signal and train control systems along the Loop elevated track including new interlockings at the Van Buren/Wabash and Lake/Wells junctions and to construct a new control tower at Lake and Wells streets. Divane continued the design of the block signal system and preparation for field work including surveys and measurements and cable bracket installation.

#### Construct Washington Intermodal Station (Block 37)

Kiewit Reyes, a Joint Venture, (KR) is the CTA's contractor to build connecting tunnels and install track to link the State Street and Dearborn subways and connect these subways to a new rapid station at 108 N. State Street in the Chicago Loop. During this quarter, the CTA fully obligated the funding for their contract with KR. KR completed the walls for the connecting tunnels at State and Washington streets and at Dearborn and Randolph streets in this quarter. KR also started the installation of cap beams for the tunnel at State and Washington streets. KR continued utility relocation needed for the tunnels and the replacement of wood half-ties with concrete half-ties in the State Street and Dearborn subways.

### Metra

#### Rehabilitate 45 Bi-level Commuter Cars

As a part of their commuter car life extending rehabilitation project, Metra is rehabilitating 45 commuter cars built between 1953 and 1973. These commuter cars are used on the Burlington Northern Santa Fe and Milwaukee District lines. The rehabilitation to be performed includes such things as the replacement of couplers, interior refurbishment, the repair or replacement of heating, lighting and air conditioning systems and the replacement of doors and door mechanisms. Metra has completed work on seven of these commuter cars by the end of the third quarter. Metra anticipates completing a total of 14 commuter cars by the end of 2007.

#### Renew 24 Bridges between 18th and 60th streets – Rock Island District

Metra is replacing 24 bridges between 18<sup>th</sup> and 60<sup>th</sup> streets on the Rock Island District in the City of Chicago. This work includes replacing the deck, spans and substructure for each bridge, raising the embankment to increase the clearance over roadways and installing new tracks and signal system between 18<sup>th</sup> and 60<sup>th</sup> streets. During this quarter, Metra continued installing new signal equipment and track work associated with these bridges. Walsh Construction Company, the contractor for the bridge

# Capital Program Report

## Third Quarter 2007

---

### Metra (cont.)

replacement, previously completed all the work for renewal of the bridges. Metra anticipates that all work for this project will be done by the end of 2008.

#### Replace Wheel Sets on Locomotives and Commuter Cars

Metra is replacing wheel sets on their fleet of locomotives and commuter cars as required by the Federal Railroad Administration (FRA). This is part of an on-going program to overhaul major components on Metra's fleet in compliance with related FRA rules and regulations.

#### Install Fiber Optic Cable – Burlington Northern Santa Fe Line

Metra is installing fiber optic cable to provide signal communications and the control system for interlockings and crossings at selected locations on the Burlington Northern Santa Fe (BNSF) Line. The fiber optic cable will replace the existing communication system which is deteriorating. Metra will also install constant warning time equipment at six grade crossings as required by the Illinois Commerce Commission. During the third quarter, Metra entered into an agreement with the BNSF Railroad for the installation of the fiber optic cable for the communication system.

#### Renew Gresham Interlocker – Rock Island District

Metra will modernize and upgrade the Gresham Interlocker located near 89<sup>th</sup> and Peoria streets in Chicago on the Rock Island District (RID) where the Beverly Branch diverges from the main line. This interlocker is over fifty years old and replacement parts are impossible to procure. A new interlocker will improve train operations while reducing operating cost. Metra will also move control of the interlocker from the Gresham Tower to their Consolidated Control Facility to provide better coordination of traffic on the RID line. Metra has completed the design for this project. During this quarter, Metra allocated funds to their labor forces for the construction of the new interlocker.

#### Replace Ties and Ballast

Metra is replacing ties and ballast and surfacing the track at various locations on the Union Pacific (UP), Milwaukee District (MWD) and Metra Electric District (MED) lines. The periodic replacement of ties and ballast is necessary to maintain proper track gauge and surface to allow higher operating speeds for trains, a smoother, quieter ride for the public and reduced maintenance expenses.

### Pace

#### Purchase 489 Paratransit Vehicles

During the third quarter of 2007, Pace awarded a five-year contract totaling \$35.7 million to Midwest Transit Equipment to purchase up to 489 paratransit vehicles. Pace has funding totaling \$9.8 million (2005 through 2007 Capital Programs) in the first year of this contract to purchase 145 paratransit vehicles. All of these vehicles will replace vehicles that have exceeded their useful life of four years.

#### Purchase 222 30' Fixed Route Buses

In the third quarter, El Dorado National delivered last four buses provided in the second year of this five year contract. This brings the number of buses delivered to 140 buses. These buses are fully accessible and equipped with Pace Intelligent Bus System. They will replace buses purchased between 1993 and 1997 that have reached the end of their useful life of 12 years.

# Capital Program Report

Third Quarter 2007

---

## Pace (cont.)

### Purchase Vans for the Vanpool Program

During the third quarter, Pace took delivery of nine vans from GE Fleet Services. Pace orders vans under this contract as needed for new vanpools and for replacement vehicles. Pace has now received a total of 650 vans and will be able to acquire up to 1,000 vans.

### Purchase 28 Community Vehicles

Pace awarded a contract to Central States Bus Sales, Inc. (Central States) for the purchase of vehicles for Pace's Community Transit Network. Pace will purchase 28 community vehicles in the first year of this contract. Central States has started the first order of vehicles under the contract. Pace anticipates the delivery of these vehicles in the fourth quarter.

Community based services provided by these vehicles include such services as demand response, rush hour feeders and community circulators. They are a customized mix of services tailored to meet the travel patterns and needs of the community.

### Purchase Enterprise Resource Planning System

Pace completed 16 major tasks including testing, training, and hardware procurement during this quarter in preparation for replacing their current computer system with the Oracle E-Business Suite Enterprise Resources Planning (ERP) system. This system will include their finance, procurement, asset management, customer relations and human resource functions. Pace plans to start using this new system in January 2008.