



OLRT Constructors
1600 Carling Avenue
Suite 450
Ottawa, Ontario

ALSTOM Transport Canada Inc.
805 Belfast Road
Ottawa, ON
K1G 0Z4

16th February 2018
Submitted Electronically

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|---------------------------|--------------------------|
| Our Ref. : | OLR-ALS-1242 |
| Your Ref. : | ALS-OLRT-02140 |
| Contract No. : | 507528-P001 |
| OLRT Internal Ref: | N/A |
| Status: | Response Required |
| CDRL# | N/A |

Attention: Arnaud Lacaze, Project Manager

Subject: Proposed Vehicle Production Schedule V9

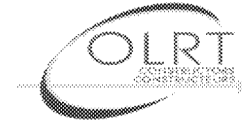
Dear M. Lacaze,

With reference to ALS-OLRT-02140, OLRTC has reviewed the proposed schedule V9. OLRTC notes that the schedule has slipped by more than a month since the last schedule submission 8 weeks ago.

Alstom states that it has been following the V8 schedule that had been previously submitted. Alstom evidently chose to disregard the rejection of this schedule, which was sent under OLR-ALS-1088.

Please note that no schedule relief has been granted by the City, and therefore, the contractual dates for Substantial Completion of the Vehicle Part (7th May 2018) and Revenue Service Availability (24th May 2017) still stand.

Alstom has been repeatedly asked to provide a schedule that is compliant with the contractual dates (OLR-ALS-0817, OLR-ALS-0868, OLR-ALS-0877, OLR-ALS-0937, OLR-ALS-0944, OLR-ALS-0963, OLR-ALS-0973, OLR-ALS-0978, OLR-ALS-0995, OLR-ALS-1020, OLR-ALS-1050, OLR-ALS-1088, OLR-ALS-1094, OLR-ALS-1162, OLR-ALS-1162, OLR-ALS-1231). Alstom has not done this and each schedule shows greater slippage against the Baseline.



This proposed schedule V9 is not compliant with the contractual dates for Substantial Completion of the Vehicle Part and Revenue Service Availability and is therefore rejected.

Non-compliances of schedule V9 include the following:

1. on the date of Substantial Completion of the Vehicle Part (7th May 2018):
 - a. 9 LRVs will not have achieved the M8 milestone, End of Serial Testing, with the last End of Serial Testing occurring on the 25th July 2018
 - b. 13 LRVs will not be Provisionally Accepted, with the last Provisional Acceptance occurring on the 16th August 2018.
 - c. 10 LRVs will not have the P25 radio installed, with the last radio installation being completed on 17th July 2018.
 - d. All 34 LRVs will still have retrofits to be carried out following MU testing. It is unknown what these retrofits will entail. Completion of the last LRV is scheduled for 15th October 2018.
2. on the date of Revenue Service (24th May 2017):
 - a. 6 LRVs will not have achieved the M8 milestone, End of Serial Testing with the last LRV scheduled for completing M8 on 25th July 2018.
 - b. 10 LRVs will not have undergone Acceptance testing with the last LRV scheduled for Acceptance testing on the 16th August 2018. The last LRVs to undergo Acceptance testing before the Revenue Service Availability date will have had little or no integration testing carried out.
 - c. 9 LRVs will not have the P25 radio installed with the last radio installation being completed on 24th July 2018.
 - d. 31 LRVs will still have retrofits to be carried out following MU testing (again, it is not known what these retrofits will entail).
3. Milestone M9, Acceptance of 34 Vehicles, is shown to be 16th August 2018. This is date is not acceptable, as M9 must come before Substantial Completion.

Please be aware that Delay Liquidated Damages will be calculated according to the Baseline V.5 schedule.

If there are any questions please do not hesitate to ask.



Regards,

A handwritten signature in black ink, which appears to read "Sharon Oakley". The signature is written in a cursive, flowing style.

Dr. Sharon Oakley, P.Eng.
Rolling Stock Manager