



February 24, 2017

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Caltrain Terminates Contract with Parsons Transportation Group (PTG) Due to Breach of their Contractual Terms in the Design and Implementation of a Positive Train Control System, called CBOSS

Termination was deemed necessary after lack of contractor's progress threatened to delay implementation of the federally-mandated safety improvements to the railway

Caltrain announced today that it has terminated a contract with Parsons Transportation Group (PTG), the firm responsible for designing and implementing a Positive Control System or CBOSS. This contract was designed to implement federally mandated improvements to the train control system that will enhance safety and reliability of the railway.

The unusual action was deemed necessary after continued delays in delivering the project and an utter lack of progress in moving the project forward consistent with PTG's contractual obligations. This termination action was taken after repeated intervention, peer reviews and increased oversight of the Joint Powers Board failed to improve performance of the contractor. It was deemed necessary to terminate this contract now to maintain schedule and to exercise cost control of the project.

"The Positive Train Control work being done is imperative to the safety and reliability of rail service on our right of way," said Caltrain Chief Operating Officer Michelle Bouchard. "Due to PTG's continued failure to perform, combined with their potential to cause program delay, the decision to terminate was necessary to keep the program on schedule while also exercising cost control over its delivery."

Caltrain has immediately begun the process of identifying a replacement party who has the demonstrated ability to perform. While this action will complicate final delivery, it was done at this time to ensure that it does not impede progress on the Peninsula Corridor Electrification Project (PCEP) and will not jeopardize the significant progress being made by the Positive Train Control project. That progress includes the now complete installation of wayside and onboard hardware, installation of a fiber optic backbone and the build out of a new backup control center facility.

In addition to its termination, Caltrain will be taking all actions necessary, including litigation, to secure the benefit of the bargained for contract with Parsons and access to the Performance Bond to pay for costs associated with procuring a new integrator and completing the CBOSS project. Due to the pending litigation,

Caltrain is unable to comment on the specifics of the conflict but is confident that it will prevail in any independent legal review of the facts.

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About Caltrain: Owned and operated by the Peninsula Corridor Joint Powers Board, Caltrain provides commuter rail service from San Francisco to San Jose, with limited commute service to Gilroy. Caltrain enjoyed five years of consecutive monthly ridership increases, surpassing more than 60,000 average weekday riders. While the Joint Powers Board assumed operating responsibilities for the service in 1992, the railroad celebrated 150 years of continuous passenger service in 2014. Planning for the next 150 years of Peninsula rail service, Caltrain is on pace to electrify the corridor, reduce diesel emissions by 97 percent by 2040 and add more service to more stations.