ALSTOM Transport Canada Inc.



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January 20, 2020

Mr. James Messel General Manager Rideau Transit Maintenance General Partnership 805 Belfast Road Ottawa, ON KIG 0Z4

Letter No.:

ALSMNT-RTM-00161

In reply to:

Action:

RTM

Letter Ref.:

Subcontract:

Second Amended and Restated Maintenance Subcontract dated September 16, 2019

("Subcontract")

Subject:

Performance of Maintenance Facilities

Dear Sir,

Alstom is writing to notify RTM that further to the discussions which took place as part of the Monthly Contract Review Meeting on December 19, 2019 and as outlined in the meeting minutes provided on January 17th, 2020 in letter referenced ALSMNT-RTM-00149, Alstom continues to be negatively impacted by the maintenance facilities. These facilities (wheel lathe, sand plant, rail car movers, lifting jacks, cranes, etc...) are critical for the Maintenance Sub-contractor to be able to meet its obligations under Schedule 15-3 of the Maintenance Sub-contract.

On December 20, 2019 Alstom was unable to perform the sanding activity as required which jeopardised the availability of passenger service. As part of the servicing of the LRVs, Alstom discovered the majority of the sand pumps in the SIW (sanding bay) would not adequately pump sand. Additionally, the presence of wet sand was detected coming from the sand pumps. This adversely affects the performance of the vehicle sanding system as it can lead to clogged sanding ejectors on the trains.

On multiple occasions between December 2019 and January 2020, Alstom has reported issues with the railcar movers. This situation escalated to such a level that all railcar movers were inoperable, which had a direct impact

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on Alstom's ability to perform maintenance. It is worth noting that the railcar mover is necessary to move vehicles over the maintenance road where the wheel lathe is located as there is no overhead power supply to that location in the maintenance facility.

Since the start of January 2020, Alstom has made the Maintenance Contractor aware of issues surrounding the performance of the wheel lathe. The wheel lathe is a critical piece of machinery that is expected to be operational at all times excluding any minor schedule maintenance activities. At the time of writing this letter, the wheel lathe has not been operational since before the 7th of January 2020. This has led to a backlog of trains that require wheel truing. Presently there are 13 vehicles which require corrective wheel truing to make available for service.

Alstom will continue to take all steps reasonably practical to meet the daily vehicle availability requirements despite the inadequate performance of the facilities maintenance activities that are out of the maintenance subcontractor's scope according to the appendix 1 of the MSC schedule 49, however Alstom reserves its rights under the Subcontract, in equity and at law, for any unjustified deductions to payments owed and costs associated with the recovery of maintenance due to the impact of maintenance facilities under the responsibility of the Maintenance Contractor. Alstom looks forward to a continued collaboration with RTM to improve the ongoing performance of the system.

Please feel free to contact the undersigned with any questions.

Since ely,

Richard France Project Manager

Attachment(s):

cc: Alex Turner, RTM

Justin Bulpitt, Alstom Remy Adnot, Alstom Tarik Goucem, Alstom