



December 22, 2021

Mr. Nicolas Truchon, CEO  
Rideau Transit Group GP  
805 Belfast Road,  
Ottawa, ON, K1G 0Z4

Our Reference: OTT-RTG-RLET-0635

**RE: Green Wheels for Service**

Dear Mr. Truchon,

Please find enclosed, for your information and/or action as applicable, a letter from City Transit Operations.

Should you have any questions, concerns, or require additional information please do not hesitate to contact Mr. Troy Charter, Director, Transit Operations.

Regards,

Michael Morgan  
Director, Rail Construction Program

cc. Duane Duquette, Connie Gleason, Matt Pieters, Erin Tate – City  
Mario Guerra, James Messel – RTM

City of Ottawa	Ville d'Ottawa
O-Train Construction	Construction de l'O-Train,
Transportation Services Department	Direction générale des transports,
110 Laurier Avenue West	110, avenue Laurier ouest
Ottawa, ON	Ottawa, ON
K1P 1J1	K1P1J1



December 22, 2021

Nicolas Truchon CEO  
Rideau Transit Group  
805 Belfast Road  
Ottawa ON  
K1G 0Z4

Our Reference: OTT-RTG-RLET-0635

Your Reference: RTG-OTT-58-0-LET-1357

**RE: Green Wheels for Service**

Dear Mr. Truchon,

The City writes in response to RTG-OTT-58-0-LET-1357 (the "Letter") in which RTG asked for further clarification regarding the City's decision to allow Vehicles into revenue service only after the completion of the wheel replacement program (referred to in the Letter as the "wheels retrofit program"). The City's decision to only allow Vehicles into revenue service after the completion of the wheel replacement program is a direct result of RTG's continued failures to replace the cracked wheels promptly and in light of the safety concerns detailed below. The City views this decision as necessary given the current state of the wheel replacement program.

As RTG is aware, the initial observation and presence of cracked Lucchini resilient wheels on certain Vehicles (the "Wheel Crack Issue") was observed on July 2, 2020. Now, more than seventeen (17) months later, RTG has failed to deliver on its commitments to complete the wheel replacement program, including but not limited to failing to meet the following dates it committed to meet:

- by the end of Q1 2021;
- by the end of May 2021;
- by mid-August 2021; and
- by the end of October 2021.

As of the date of this letter, the Wheel Crack Issue has yet to be fully rectified by RTG and its Subcontractors. RTG's inability to deliver on its commitments has put the City in a difficult position with federal agencies and RTG's continued failures to meet the deadlines it has put forward to the City calls into question its commitment to addressing the Wheel Crack Issue. It is in this context that the City has taken the decision to only allow Vehicles into revenue service once the wheel replacement has been completed.



With regards to the ongoing delays on RTG's part, the City notes that Alstom has again revised the timelines to complete the wheel replacement (as set out in RTG-OTT-58-0-LET-1361, enclosing ALS-OLRT-04102). Under this new timeline, Alstom advises that the wheel replacement for five Vehicles will be completed by the end of January 2022. The City will not tolerate any delays to this further revised timeline and expects all cracked wheels to be fully replaced by the end of January 2022.

With regards to the City's ongoing concerns regarding the quality of the work performed by RTG and its Subcontractors in relation to the wheel replacement program, the City notes that on August 6, 2021, the City wrote to RTG regarding the delayed replacement of the cracked wheels (OTT-RTG-RLET-0605). In this letter, the City outlined its dissatisfaction with actions taken by RTG at that time and expressed concerns regarding the quality of the work performed by RTG and its Subcontractors. By way of example, the City noted that there had been numerous instances where the City had observed or had been informed of unsatisfactory workmanship resulting in further delays to the wheel replacement program. As of the date of this letter, RTG still has not demonstrated any change in its approach regarding the wheel replacement program, and the City's concerns regarding the quality of the work remain.

Moreover, given the two derailments in August and September 2021, the City and its consultant TRA, have reexamined the Vehicle maintenance and retrofit activities to ensure the safety of the System, staff, and the public, and systemic issues have been noted which provides context to the City's concerns about the program to replace the cracked wheels.

In addition, it appears that RTG (and its Subcontractors) do not have adequate resources in place to address the long outstanding Wheel Crack Issues at the same time as determining the root cause of the August derailment (which determination remains outstanding as of the date of this letter).

As such, the apparent lack of oversight by RTG, as well as inadequate staffing levels, appear to have contributed to the ongoing inability to complete the wheel replacement program in a timely manner. In fact, the City continues to request that RTG provide a substantive plan to address the deficiencies within its current organizational structure so as to address the clearly inadequate levels of staffing and oversight which appear to be causing, among other issues, the delays and quality failures with the wheel replacement program.

Based on these concerns, the Chief Safety Officer (CSO) has determined that the previously agreed upon inspection of the wheels is no longer an acceptable risk. This decision is not lightly taken but is necessary given RTG's continued failures to deliver the wheel replacement program, largely contributed to by RTG's inability adequately staff on the short and long-term and oversee the work in relation to the wheel replacement program. Among other things, the CSO is concerned about the extent of the daily quality



failures which are an indicator that RTG and its Subcontractors are not properly performing the stressed wheel inspection

To reiterate, RTG and its Subcontractors have demonstrated an inability to adhere to quality standards which has directly resulted in multiple failures (including the derailments referenced above). Furthermore, RTG has consistently demonstrated that it does not have sufficient oversight over its own Subcontractors, as demonstrated by, among other things, the lack of quality checks and standards. The City is deeply concerned about RTG and its Subcontractors' ability to perform the previously agreed upon stressed wheel inspections as a mitigation for the Wheel Crack Issue, while at the same time performing all other safety-critical activities for required for daily revenue service. This concern has led to the conclusion that the risks associated with the stressed wheel inspections are no longer acceptable to the City.

RTG is solely responsible if there is an inability to meet the daily Vehicle Availability targets. The severity of the Wheel Crack Issue has been communicated to RTG numerous times via formal correspondence and the failure to fully rectify the issue is solely the responsibility of RTG and its Subcontractors. The City expects that the wheel replacement program will be completed without further quality failures and within the deadlines communicated by RTG, namely by the end of January 2022

The City reserves its rights under the Project Agreement and at law.

Yours Truly,

A handwritten signature in black ink, appearing to read 'T. Charter'.

Troy Charter  
Director  
Transit Operations

A handwritten signature in black ink, appearing to read 'B. Richards'.

Brandon Richards  
Chief Safety Officer  
Safety, Regulatory, Training and  
Development

cc. Duane Duquette, Connie Gleason, Matt Pieters, Erin Tate – City  
Mario Guerra, James Messel – RTM