Finance and Capital Committee

Board Information Item IV

September 10, 2026

FY2026 Year-End Financial Results

Board Document

OVERVIEW			
PRESENTATION NAME	FY2026 Year-End Financial Results	**DOCUMENT NO.**	300154
ACTION OR INFORMATION	[X] Information [ ] Action		
STRATEGIC TRANSFORMATION PLAN GOAL	[ ] Service Excellence [ ] Talented Teams [X] Financial & Organizational Efficiency		
RESOLUTION	No		
EXECUTIVE OWNER			
EXECUTIVE TEAM OWNER	Rickard, David B.		
DEPARTMENT	Finance		
DOCUMENT INITIATOR	Byrnes, Marcus J.		
OTHER INFORMATION			
COMMITTEE	[ ]Exec/OIG [ ]Board [ ]Exec/Non-OIG [X]Finance & Capital [ ]Safety & Ops [ ]Board (consent)	**COMMITTEE DATE**	09/10/2026
PURPOSE/KEY HIGHLIGHTS	To provide the Board of Directors with an overview of the FY2026 year-end financial results.		
DISCUSSION	FY2026 for Metro included many accomplishments. The Authority's 50th anniversary year included the expansion of the U-Pass program, the inclusion of bus and parking facilities in Tap. Ride. Go., a "Fares Pay For Service" campaign, implementation of mid-year Metro Rail and Metro Bus service improvements, and an extension of Yellow Line Service to Greenbelt on every other train. Metro received its 5th Gold Standard Award from the Transportation Security		

	Administration (TSA) for transit security, welcomed 17,000 visitors to its exhibit at the Great American State Fair, and ran four successful Pop-Up Shops. Metro provided a total of 268 million trips during FY2026. Sustained gains in ridership powered revenue results through year-end. Total revenue reached $658 million, which was $64 million or 11 percent above the prior year. Passenger and parking increased $51 million, including a federal Smart Benefit usage increase of $18 million. Metro Rail increased $52 million, driven by 9 percent ridership growth. Metro Bus decreased $5 million as a higher share of pass revenue was attributed to rail. Parking grew $4 million over the prior year due to a 19 percent increase in user transactions. Other revenue decreased $7 million due to lower interest income driven by market conditions. There were one-time adjustments of an additional $20 million (e.g. prior year pass revenue correction). Metro's year-end operating results generated a $14 million surplus, which is $2 million more than the FY2027 budget assumed would be available. Staff plan to seek Board authorization to apply the additional $2 million toward the FY2027 budget. Cost pressures impacted the FY2026 budget. Fringe benefits were unfavorable to forecast by $20.6 million, with increased pension costs driven by higher than planned premium pay growth. Also, higher healthcare costs were the result of contractual requirements and rising insurance premiums. Propulsion power was unfavorable to forecast by $2.6 million, with market energy costs exceeding budget assumptions and power consumption surpassing planned levels driven in part by seasonal demand. Paratransit costs were unfavorable to forecast by $4.2 million, with ride volume 19 percent higher than planned and vendor performance challenges leading to an increase in call volume, impacting customer service costs. Personnel and non-personnel cost pressures are expected to continue in FY2027 and will be monitored closely, with any adjustments proposed through the FY2027 budget amendment as conditions evolve. Efficiency gains were seen in multiple categories. Overtime management was favorable to forecast by $5.1 million, with additional management reviews and approvals leading to a reduction of 7

	percent in overtime usage during the last half of the fiscal year. Salaries and wages were favorable to budget by $7.1 million, with hiring actions prioritizing operational positions and resulting in savings. Fuel is on forecast thanks to a hedging strategy in the face of market volatility and fuel costs were $3 million lower than FY2025. Metro continued to make progress by increasing capital funding utilization. Utilization of Metro services in FY2026 was strong, with the total capital program seeing a 99 percent utilization rate against forecast. The actual utilization rate of railcar and bus & paratransit was above forecast. Metro invested $1.9 billion in capital projects in FY2026 and budgeted the same amount in FY2027. Major headwinds, however, include limited funding capacity, increasing costs, emerging technologies, unanticipated vendor production delays, capital funding agreement (CFA/DFA) negotiations, DMV*Moves* funding, and other unknown conditions. Key capital investments are at varying levels of progress. Production delays on railcars provide additional time to evaluate how future procurements can meet changing fleet and technology needs; bus fleet acquisition is seeing a maintained procurement schedule for all bus types in order to meet fleet needs amid widespread vendor production backlogs; the fleet maintenance facility is receiving an evaluation of scope modifications to incorporate emerging technology and limit cost increases; the Northern Bus Garage is on schedule for an October 2028 completion; and the Bladensburg Bus Garage is on schedule for a completed parking facility by August 2027 while the installation schedule for electric bus continues with an expected December 2027 completion; and all modules for Enterprise Resource Planning software will have launched by summer 2027 charging equipment is under negotiation. For Rail Modernization, Metro is mobilizing resources to advance multiple procurements for design and engineering while the implementation beyond the Red Line will require additional regional funding; Metro released a request for information on incorporating emerging technology for fare systems and complete installation of Tap. Ride. Go. at parking facilities is expected by fall 2026; A contract for construction manager at-risk was awarded for the Metro Training Center, with design advancing to 30 percent; the implementation for radio systems continue, with completion scheduled for December 2027; and all modules for Enterprise Resource Planning Software will have gone live by summer 2027.

Board Document

INTERESTED PARTIES	There are no interested parties.
RECOMMENDATION/NEXT STEPS	The FY2026 Financial Statement Audit will be reported to the Board upon completion in November and an amendment of the FY2027 budget will be proposed in November (e.g. RFK capital reimbursable agreement and operating updates).
FUNDING IMPACT	This presentation is for informational purposes only; however, it includes discussion of potential future Board amendments to the FY2027 budget.

FY2026 Year-End Financial Results

Finance and Capital Committee

Washington Metropolitan Area Transit Authority

September 10, 2026

Delivering Your Metro, the Way Forward

Service Excellence
Deliver safe, reliable, convenient, accessible, and world-class service that customers can trust across all modes.

Objectives of Service Excellence Goal

- **Safety and Security**
- **Reliability**
- **Convenience**

Talented Teams
Attract, develop, and retain world-class talent where individuals feel valued, supported, and proud of their contribution.

Objectives of Talented Teams Goal

- **Recruitment and Retention**
- **Learning and Development**
- **Customer Service Mindset**

Focus Today

Financial & Organizational Efficiency
Steward public resources and efficiently allocate resources where they drive the most value, to ensure service delivery.

Objectives of Financial & Organizational Efficiency Goal

- **Financial Responsibility**
- **Organizational Efficiency**
- **Energy Management**

Accomplishments in FY2026

Celebrated **Metro's 50th** anniversary

Approved **U·Pass** program expansion

Expanded **Tap. Ride. Go.** for bus and parking facilities

Fares Pay for Service campaign

Implemented mid-year **Metro Rail** and **Bus** service improvements

Welcomed more than **17,000 visitors** to Metro's exhibit at Great American State Fair

5th Gold Standard Award from TSA for transit security

Pop-Up Shops for Metro U, Holidays, Cherry Blossom Festival, and 50th anniversary

Extended **Yellow Line** service to Greenbelt every other train

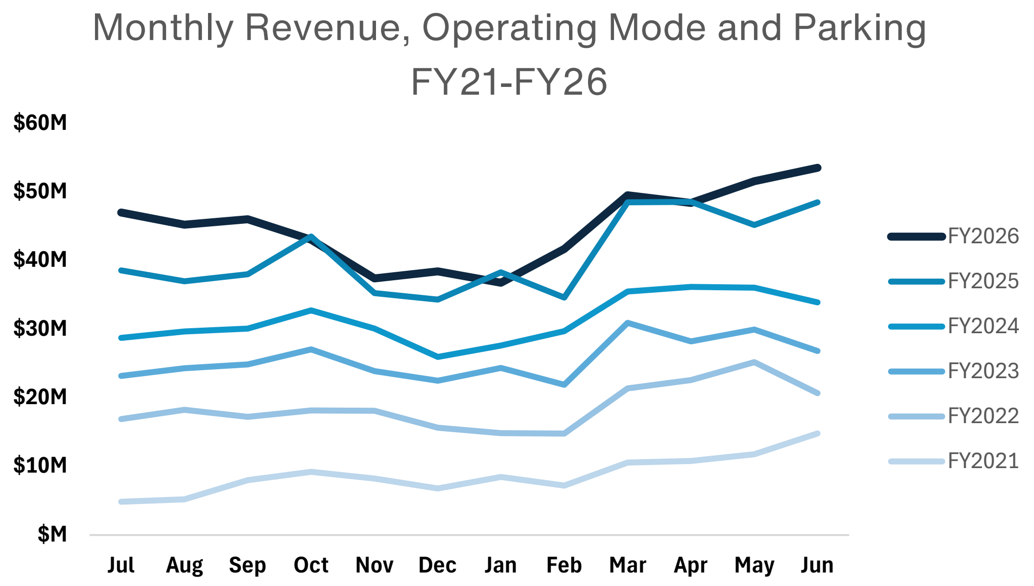
268M total trips

Sustained Gains in Ridership Powered Revenue Results Through Year-End

Total revenue reached $658M, which was $64M or 11% above prior year.

- **Passenger + Parking increase of $51M** over prior year, including federal Smart Benefit usage increase of $18M
  - **Metro Rail** increase of **$52M** over prior year driven by 9% ridership growth
  - **Metro Bus** decrease of **$5M** from prior year as a higher share of pass revenue was attributed to rail
  - **Parking** grew **$4M** over prior year due to a 19% increase in parking transactions
- **Other Revenue** decrease of **$7M** from prior year due to lower interest income driven by market conditions
- **One-time adjustments** of **$20M** (e.g., prior year pass revenue correction)

Passenger & Parking Revenue by Month
($'s in M)



$540.7M total passenger + parking FY26 YTD revenue

$454.3M in Metro Rail FY26 YTD revenue

$51.6M in Metro Bus FY26 YTD revenue

$3M in Metro Access FY26 YTD revenue

$31.8 million in parking FY26 YTD revenue

Year-End Operating Results Generate $14M Surplus

$ in M	FY2026 BUDGET	FY2026 MID-YEAR FORECAST	FY2026 ACTUAL Amount	FY2026 ACTUAL Variance $ (Actual vs. Forecast)
Total Revenue	$564	$632	$658	$26
Total Gross Expenses	$2,607	$2,675	$2,688	$12
Expenses Less Revenue (Before Transfers)	**$2,043**	**$2,043**	**$2,029**	**($14)**
Preventive Maintenance Transfer	$109	$109	$109	$ -
Prior-Year Savings	$28	$28	$28	$ -
Jurisdictional Subsidy	**$1,906**	**$1,906**	**$1,906**	**$ -**
Surplus/(Loss)	**$ -**	**$ -**	**$14**	**$14**

Note: Amounts may not sum due to independent rounding

The FY2027 Budget assumed $12M in prior-year savings. Based on FY2026 year-end results, savings increased to $14M, and staff plan to seek Board authorization to apply the additional $2M toward FY2027 budget.

FY2026 Operating Budget Cost Pressures

Fringe Benefits

Pension, health care, and insurance costs for Metro employees

- Increased pension costs driven by higher than planned premium pay growth
- Higher health care costs resulting from contractual requirements and rising insurance premiums

↗ Unfavorable to forecast by $20.6M

Propulsion Power

Traction power that moves Metro Rail trains across the system

- Market energy costs exceeded budget assumptions
- Power consumption surpassed planned levels, driven in part by seasonal demand

↗ Unfavorable to forecast by $2.6M

Paratransit

Metro Access shared-ride service and alternative AbilitiesRide trips for customers whose disabilities limit bus or rail use

- Ride volume 19% higher than planned
- Vendor performance challenges increased call volumes, impacting customer service costs

↗ Unfavorable to forecast by $4.2M

Personnel and non-personnel cost pressures are expected to continue in FY2027 and will be monitored closely, with any adjustments proposed through the FY2027 budget amendment as conditions evolve

FY2026 Operating Budget Efficiency Gains

Overtime Management

Premium hours used to sustain scheduled service and maintenance

- Additional management reviews and approvals led to a **7 percent reduction** in the last half of the year of overtime usage

↘ Favorable to forecast by $5.1M

Salaries and Wages

Pay for the operators, mechanics, and staff who deliver daily service

- Hiring actions prioritizing operational positions resulting in savings

↘ Favorable to forecast by $7.1M

Fuel

Diesel, Gasoline and Compressed Natural Gas for Metro Bus and support vehicles

- Hedging strategy held expenses on forecast despite market volatility
- Fuel costs were $3M lower than FY2025

→ On forecast

FY2026 Capital Results Aligned with Mid-Year Forecast

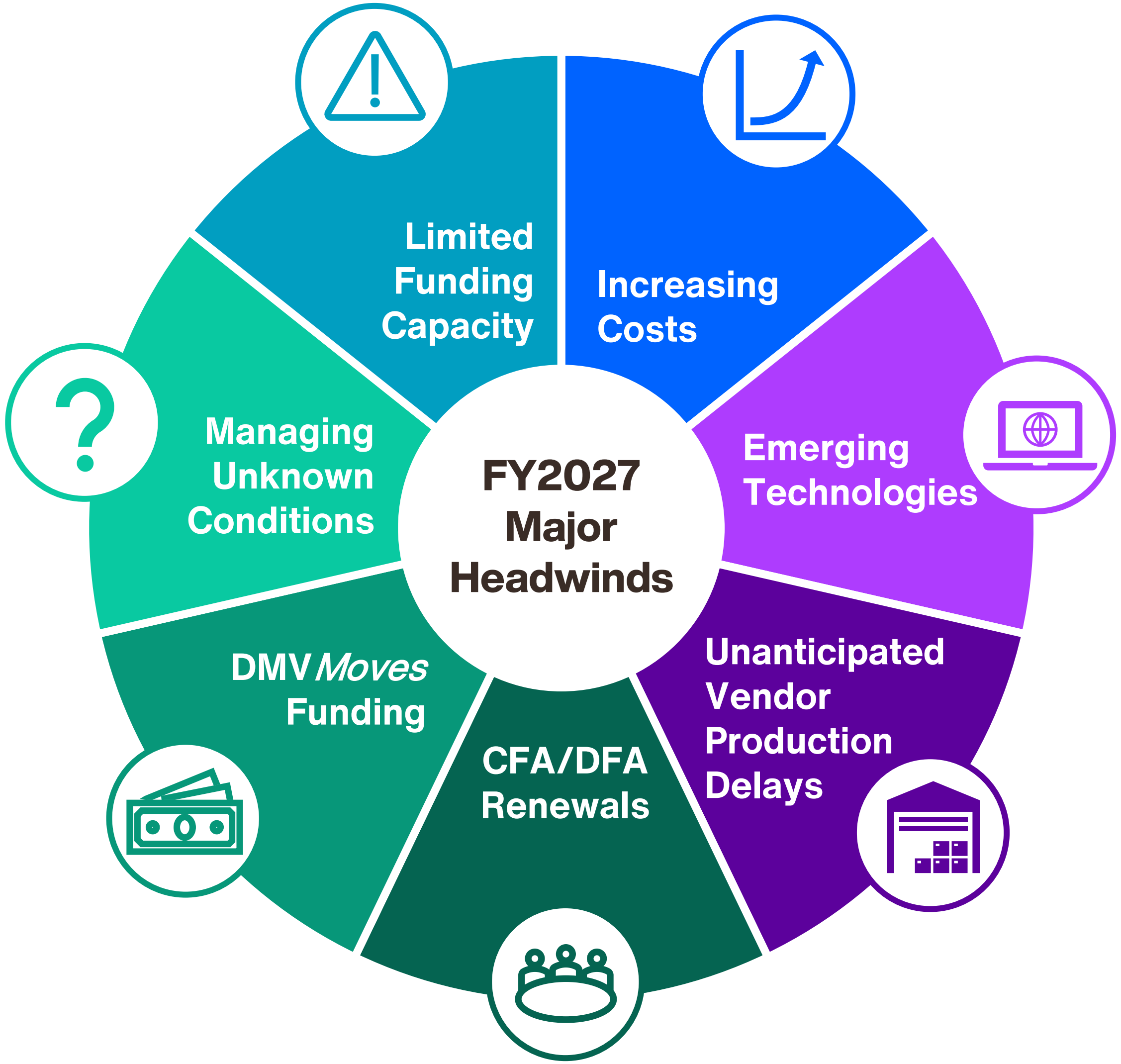
Capital Investment Categories $ in M[1]	FY2026 BUDGET	FY2026 MID-YEAR FORECAST	FY2026 ACTUAL Amount	Utilization Rate % (Actual vs. Budget)	Utilization Rate % (Actual vs. Forecast)
Railcar	$399	$298	$341	85%	114%
Rail Systems	$336	$333	$329	98%	99%
Track and Structures Rehab	$307	$218	$188	61%	86%
Stations and Passenger Facilities	$328	$349	$332	101%	95%
Bus & Paratransit	$441	$386	$392	89%	102%
Business Support	$307	$285	$274	89%	96%
Total Capital Programs	**$2,118**	**$1,869**	**$1,856**	**88%**	**99%**

1 – Amounts may not sum due to independent rounding

Metro Invested $1.9B in Capital Projects in FY2026

Budget Trajectory

$1.9B	$1.9B
FY2026 Actuals	FY2027 Budget
Closed at revised capital budget forecast of $1.9B	*Maintains FY2026 level of investment*



Key Capital Investment Snapshot

Railcar Acquisition
Production delays provide additional time to evaluate how future options can meet changing fleet and technology needs

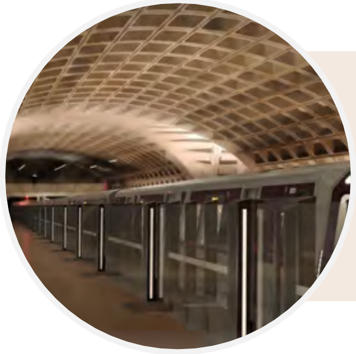
Bus Fleet Acquisition
Maintain procurement schedule for all bus types to meet fleet needs amid vendor production backlog

Fleet Maintenance Facility
Evaluating scope modifications that incorporate emerging technology while limiting cost increases

Northern Bus Garage
On schedule to complete construction by October 2028

Bladensburg Bus Garage
On schedule to complete new parking facility by August 2027; installation schedule for electric bus charging equipment in development

Key Capital Investment Snapshot (cont.)



Rail Modernization Program
Advancing procurements for support, design, and engineering. Implementation beyond Red Line requires additional funding.

Fare Systems
Released RFI on emerging parking payment technology. Complete installation of Tap. Ride. Go. at parking facilities by Fall 2026.

Metro Training Center
Awarded construction manager at-risk contract; advancing 30% design

Radio System
Implementation activities continue, scheduled for December 2027 completion

Enterprise Resource Planning Software
All modules go-live by Summer 2027

Next Steps

- FY2026 Financial Statement Audit will be reported to the Board when completed in November
- Propose FY2027 Budget amendment in November (e.g., RFK and Gold Line capital reimbursable agreements and operating updates)

Appendix

Key Capital Investment Updates – FY2026 Year-End

Investments Reported Quarterly

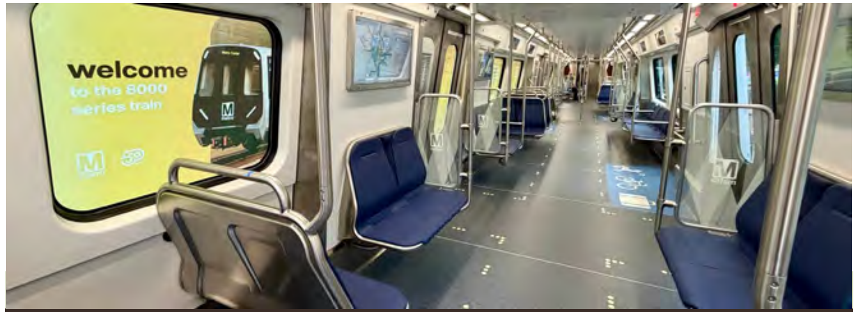
- 8000-Series Railcars
- Bladensburg Bus Garage
- Bus Fleet Acquisition
- Enterprise Resource Planning Software
- Fare Systems
- Fleet Maintenance Facility
- Metro Training Center
- Northern Bus Garage
- Radio System
- Rail Modernization Program

8000-Series Railcars

Acquire new railcars to replace legacy fleet and support safety and reliability

Description & Context

- Metro is procuring 8000-series railcars to replace legacy railcars that have been in service for nearly 40-45 years
- Procurement initiated in 2018 for railcars, spare parts and special tools, training and training aids, and cab simulators
- Contract awarded in 2020 for base order (256 railcars)
- Metro has been working with the supplier to finalize a design incorporating customer feedback throughout the process



Current Total Project Cost Estimate: $905.3M

Lifetime Spend to Date: $149.4M (17%)

KEY FEATURES

Railcars

- Fully ADA compliant
- Additional handholds and multi-purpose area for luggage, strollers, and bicycles
- Aluminum exteriors
- Enhanced passenger comfort features such as heated floors
- Gangways to connect railcars
- Enhanced inter-car barriers
- Undercar maintenance lighting

Safety & Security

- Improved video surveillance
- Integrated digital displays with real time information
- Developed to latest cyber security standards

8000-Series Railcars (cont.)

CURRENT STATUS

- Exterior railcar design testing identified need for additional modifications; schedule impacts to base order under review
- Approved Capital Program does not fund railcar acquisition above the current base order of 256 railcars
- Future options are dependent on additional regional investment
- Deadlines to execute future railcar options are contingent upon successful completion of exterior railcar design testing; anticipate delays

Identified Risks & Mitigations

Risk	Mitigation
Additional delivery delays	▪ Focused, in-person meetings between Metro and the supplier to resolve critical issues
Updated railcar design based on public input	▪ Streamline review of materials submitted by supplier

Key Milestones

June 2026 ☑	TBD ☐	TBD ☐	Late 2027 ☐	May 2030 ☐
Delivery of full-scale mockup	Deadline to execute Option 1 (+104 railcars)	Deadline to execute Option 2 (+104 Railcars)	Delivery of pilot cars	All base order railcars in revenue service

Bladensburg Bus Garage

Rebuild & modernize outdated facility built in 1962 that has reached its end of useful life to continue to provide reliable, efficient service

Description & Context

- Metro is rebuilding the existing 60+ year old bus garage while providing service to customers
- Will have capacity for ~300 buses (mix of diesel, CNG, and electric buses)
- Facility runs the most bus service in the region
- Provides transportation services to customers on routes throughout the District of Columbia and parts of Maryland
- Facility includes operations and maintenance, fueling, and bus parking
- Improves work environment and condition for employees

Current Total Project Cost Estimate: $541.0M

Lifetime Spend to Date: $341.2M (63%)

KEY FEATURES

Facility

- Supports multiple fueling types
- Parking for ~300 buses
- Includes Metro Transit Police substation
- LEED certified

Efficiency

- Consolidates multiple buildings into single modern bus operations and maintenance facility

Bladensburg Bus Garage (cont.)

CURRENT STATUS

- Progressing work on parking garage structure
- Future service will include a mix of 60-foot articulated and 40-foot mixed fuel type buses to meet service requirements

Identified Risk & Mitigation

Risk: Complexity of installing new charging technology

Mitigation: Work with bus equipment supplier and project delivery team to minimize delays

Key Milestones

- ☑ **July 2025** Operations & Maintenance building open
- ☑ **August 2025** Begin parking facility construction
- ☐ **August 2027** Complete parking facility and new entrance
- ☐ **December 2028** Construction complete, including surface parking lot; schedule for electric bus charging equipment under negotiation

Bus Fleet Acquisition

Purchase new buses to deliver reliable and efficient service for the region

Description & Context

- Metro replaces buses to maintain a 12- to 15-year lifecycle to support reliability
- Metro Bus fleet size is ~1,350 buses
- Procurement for new buses awarded in November 2024 to replace up to 500 buses
    - ~100 buses per contract year
    - Mix of fueling types
- Only two domestic bus manufacturers facing high demand
- Create runtime savings and reliability improvements, allowing Metro to deliver better services with fewer resources

Current Total Project Cost Estimate: $121.1M*

Lifetime Spend to Date: $73.7M (61%)

**Base order for 100 New Flyer 40-foot hybrid buses*

KEY FEATURES

Safety

- Bus operator protective shields included in new bus contract and are being retrofitted into existing vehicles
- New cameras on buses
- Collision avoidance technology

Modern Elements

- Real-time tracking
- Durable vinyl seats
- New layout for more standing room and expanded multi-purpose area

Bus Fleet Acquisition (cont.)

CURRENT STATUS:

- Executed Option 2 for 75 diesel and 25 electric buses
- Reviewing proposals for 60-foot articulated bus procurement
- Exploring modification to propulsion mix for Options 3 & 4 of existing five-year contract to meet fleet needs

UPCOMING STRATEGIC DECISION:

- Work with region and industry to standardize bus requirements

Identified Risks & Mitigations

Risk	Mitigation
Supply chain constraints affect manufacturers' ability to build buses	Close coordination with vendor
Customization of transit buses	Engage in industry effort to reduce customization
Vendor production delays and high demand for domestic buses	Execute option years in a timely manner to maintain spot in production line and speed up delivery of buses in FY2026

Key Milestones

November 2024 ☑
Executed base contract for 100 buses

February 2026 ☑
Executed Option 1 for additional 100 buses

June 2026 ☑
Executed Option 2 for additional 100 buses; Took delivery of 9 hybrid buses (1 received in July)

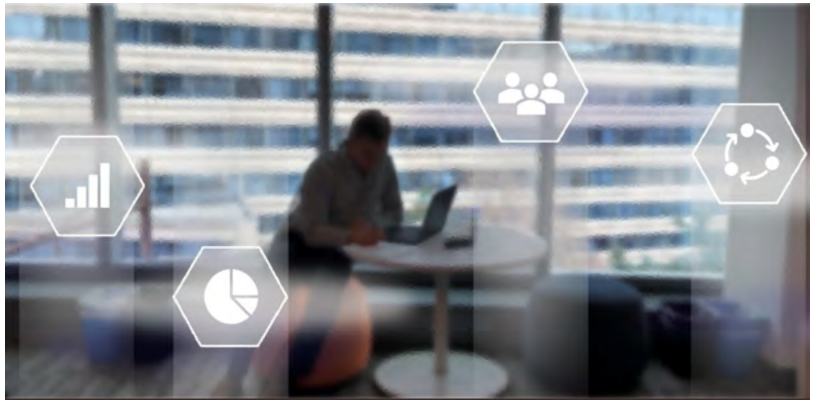
March 2027 ☐
Anticipate completion of base contract bus delivery

Enterprise Resource Planning Software

Streamline operations by modernizing legacy on-premises Enterprise Resource Planning (ERP) system

Description & Context

- Software that automates and streamlines core business processes by linking multiple systems and reporting on an integrated digital platform
- Transforms Metro's current human capital management, financial planning, management and reporting, and payroll processes using modern, secure, industry-standard software



Total Project Cost: $370.0M

Lifetime Spend to Date: $160.4M (43%)

KEY FEATURES

Human Capital Management

- Secure management of personnel documentation and efficient job creation and hiring processes
- Modernized, automated payroll processes

Financial Management

- Automating, centralizing, and unifying budgeting, funding, accounting and reporting; and implementing controls to reduce errors and ensure auditability

Procurement

- Automate manual processes and improve reporting and tracking of contract activities

Enterprise Resource Planning Software (cont.)

CURRENT STATUS:

- Successfully rolled out new Human Capital Management and Payroll modules
- Progressing design of Finance Management module to be delivered Summer 2027

Identified Risk & Mitigation

Risk: Change management, i.e., user adoption and ability to use the new system

Mitigation: Blended learning approach to training users and additional contractor support for the immediate post go-live period to minimize disruption

Key Milestones

☑ **December 2025**
Go/No-go (**Go**) Decision on Grants Made

☑ **March and April 2026**
Parallel Payroll Testing Round 2 & 3

☑ **June 2026**
Human Capital Management and Payroll modules go live

☐ **Summer 2027**
Finance Management modules go live

Fare Systems

Expand and modernize payment options, improve the customer experience, and reduce fare evasion

Description & Context

- Metro must continue to innovate and modernize to adapt to evolving customer payment expectations
- To support modern payment methods and reduce fare evasion, Metro replaced faregates systemwide and fareboxes fleetwide, enabled acceptance of contactless debit and credit cards at all faregates and on-board all Metro Buses
- Beginning the process of modernizing fare vending machines with customer terminals and updating parking payment system

FY2027 - FY2032 Program Budget: $237.7M

Average Annual Spend (FY21 - FY26): $54.3M

KEY FEATURES

Customer Experience

- Implement new methods for customers to pay through virtual Smart Trip cards and Tap. Ride. Go. functionality
- Streamlined fare policy and passes

Fare Evasion

- Modified 1,200 faregates with taller barrier doors and raised mezzanine fencing height to deter fare evasion
- New bus fareboxes and payment targets
- Fare awareness campaigns and enforcement

Fare Systems (cont.)

CURRENT STATUS:

- Implementing Tap. Ride. Go. (i.e., acceptance of contactless credit and debit cards) on existing equipment at parking facilities
- Modernizing parking facility fare collection system, including license plate readers at select locations to collect revenue and facilitate ease of payment
- Released RFI for modern parking facility fare collection system
- Evaluating technical requirements to support future fare policy
- Integrating fare payment services with the upcoming Purple Line

Tap. Ride. Go. Parking Implementation

36/40 Stations Installed and Tested	150/181 Aisles Installed and Tested
90% Complete	83% Complete

As of 9/2/2026

Key Milestones

☑ **May 2025**
Launched Tap. Ride. Go. for Metro Rail

☑ **November 2025**
Launched Tap. Ride. Go. for Metro Bus

☑ **April 2026**
Awarded contract for customer fare terminals

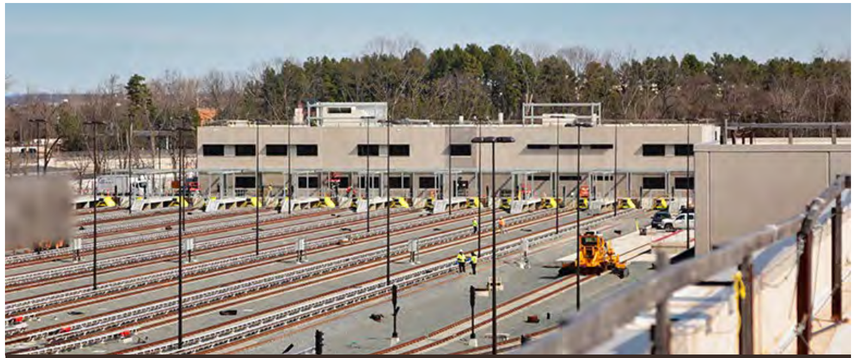
☐ **Fall 2026**
Complete installation of Tap. Ride. Go. at parking facilities

Fleet Maintenance Facility

Centralize railcar maintenance functions to be more efficient and increase number of railcars rehabilitated

Description & Context

- To improve railcar reliability, Metro is increasing the frequency of scheduled maintenance
- Facility will be constructed to support expanded scheduled maintenance program (SMP)
- Repurposing existing space at the Dulles Railyard in lieu of previously planned Heavy Repair and Overhaul Facility in Landover, MD, to reduce overall investment cost



Total Project Cost: $194.9M

Lifetime Spend to Date: $3.9M (2%)

KEY FEATURES

Facility

- Conversion of existing warehouse for additional repair bays and shop space
- Connection from maintenance facility to mainline improves operational efficiency

Operations

- Specialized railcar maintenance equipment
- Connection from maintenance shop to railyard improves operational performance

Financial Efficiency

- New facility will maximize use of existing infrastructure and minimize cost
- Additional capacity will improve timely output of SMP

Fleet Maintenance Facility (cont.)

CURRENT STATUS

- Continuing with Design & Engineering
- Exploring technology and best practices that will increase reliability and operational efficiencies
- Released initial RFP in July
- Amending RFP for additional automation design tasks
- Anticipate scope, schedule, and cost impacts

Current Dulles Maintenance Shop

Key Milestones

- ☑ **Fall 2025** 10% design (conceptual) complete
- ☑ **Spring 2026** 30% design complete
- ☐ **Late 2026** Award contract
- ☐ **Early 2027** Issue Notice to Proceed
- ☐ **Late 2028** Anticipate construction completion

Metro Training Center

To support modernizing the Metro system, Metro needs to modernize training

Description & Context

- Consolidated training facility that will centralize Metro training
- Provides modern and dedicated training spaces, and allows Metro to better utilize resources
- Currently, training is in disparate locations and in outdated and inefficient facilities
- Establishes best in class facility to support a world-class transit system with modular classrooms, simulators, augmented reality/virtual reality training

Total Project Cost: $114.0M

Lifetime Spend to Date: $6.6M (6%)

KEY FEATURES

Facility

- State-of-the-art facility and technology
- Maximize existing infrastructure utilizing previously purchased site
- Reconstructed lot in Landover for bus, commercial driver, and MTPD training

Benefits

- Allows improved delivery of bus, rail and Metro Access service
- Jurisdictional first responders use
- Supports regional transit with potential shared services

Efficiency

- Reduce impact of training exercises and new maintenance techniques on the system
- Establish economies of scale and efficiencies through integrated facility

Metro Training Center (cont.)

CURRENT STATUS:

- Completed site condition assessment
- Proceeding with Design & Engineering effort
- Underway processes:
  - NEPA
  - Prince George's County Mandatory Referral
  - WMATA Compact Public Hearing

Key Milestones

- ☑ **Fall 2025** Advertised Construction Manager at Risk contract
- ☑ **July 2026** Awarded Construction Manager at Risk contract
- ☐ **September 2026** Anticipate 30% design completion
- ☐ **Fall 2026** Start Early Works construction package*
- ☐ **Late 2028** Anticipate construction completion

* Subject to permit approvals

Northern Bus Garage

Rebuild and modernize outdated facility built in 1906 passed the end of useful life and closed in 2019

Description & Context

- Metro is rebuilding the 100+ year facility, originally a streetcar barn
- Garage closed in 2019 as it was deteriorating and could not support modern bus operations and maintenance needs
- Facility is being reconstructed into a modern bus operations and maintenance facility that will support an electric bus fleet
- Facility provides service to many routes in the Frequent Service Network

Total Project Cost: $790.4M

Lifetime Spend to Date: $503.4M (64%)

KEY FEATURES

Facility

- Charging infrastructure and equipment to fully support battery electric buses
- Provides multiple access points and parking for ~150 buses, including articulated buses

Community

- New retail opportunities and improved streetscapes
- Keeps the historical facade
- Provides community space
- Includes Metro Transit Police substation

Northern Bus Garage (cont.)

CURRENT STATUS:

- Performing market research and positioning retail spaces for solicitation by end of September
- Garage will operate with a combination of 40-foot and 60-foot electric buses
  - 40-foot electric buses ordered through Options 1 & 2 of existing five-year contract
  - 60-foot articulated buses to be ordered through forthcoming procurement

Identified Risk & Mitigation

Risk: Complexity of installing new fueling technology

Mitigation: Work with battery electric bus equipment supplier and project delivery team to minimize delays

Key Milestones

- ☑ **July 2025** Complete steel structure
- ☑ **September 2025** Begin plumbing overhead rough-in
- ☐ **Spring 2027** Partial occupancy of facility (MTPD, retail space, community space)
- ☐ **October 2028** Construction complete
- ☐ **December 2028** Begin revenue service

Radio System

Essential for staff to provide service, communicate with Metro Integrated Command and Communications Center, first responders, and provide systemwide cellular coverage for customers

Description & Context

- Metro's current internal communication and public safety radio systems are outdated, causing communication gaps
- Started in 2017, this project replaces Metro's radio infrastructure and adds cellular coverage throughout the system
- All tunnel, facility, above ground infrastructure, as well as obsolete radio devices, will be replaced
- Project implemented alongside Fiber Optic Cable replacement

Total Project Cost: $608.7M

Lifetime Spend to Date: $524.3M (86%)

KEY FEATURES

Below Ground

- Systemwide cellular and radio coverage
- New fiber optic cabling throughout system to support new radio system

Above Ground

- Radio towers installed at 23 of 27 sites
- Provides coverage to 95% of Metro service area
- 3 of 6 jurisdictional systems complete and operational

Devices

- State-of-the-art radio units distributed to personnel and installed in vehicles

Radio System (cont.)

CURRENT STATUS

- Implementation activities continue
- Completed more radio upgrades at railyards in last quarter than anticipated; only Dulles remains
- Have planned for and expect additional change orders to base contract

Identified Risks & Mitigations

Risk	Mitigation
Failure of legacy radio system	Increased maintenance of existing system
Dependent on vendor to construct remaining tower sites	Coordinate with vendor to complete in timely manner; explore options to complete work with third party contractor

Key Milestones

Fall 2025 ☑
Activated upgraded public safety radio system in Arlington County

Fall 2026 ☐
Complete radio upgrades at all railyards (Dulles by December) and on 6000-series railcars*

Summer 2027 ☐
Complete installation of new radio system in remaining jurisdictions**, and take delivery of all handheld radio and subscriber units

December 2027 ☐
Anticipated completion

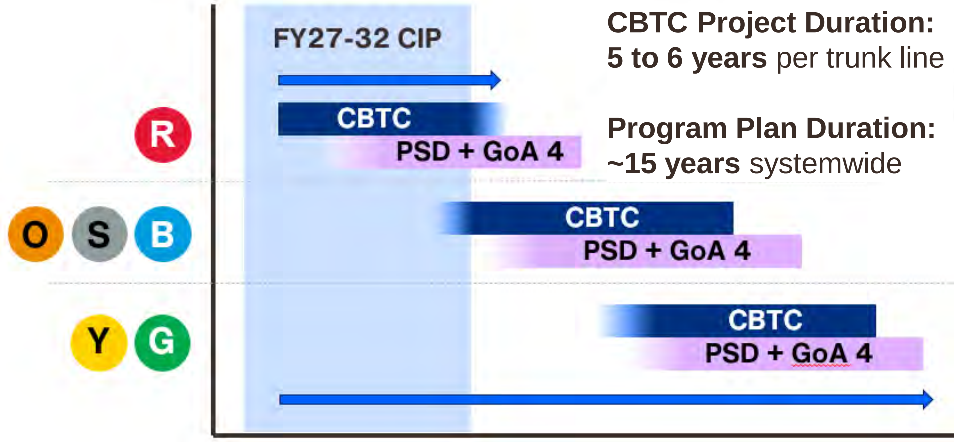
**3000- and 7000-series railcars already complete*
***Fairfax County, City of Alexandria, Montgomery County, Prince George's County, and the District of Columbia*

Rail Modernization Program

Rail Modernization Program is Metro's highest priority need

Description & Context

- Metro's legacy rail signaling system is approaching obsolescence and faces growing maintenance costs and difficulty sourcing replacement parts
- The required investment will be implemented incrementally in phases to improve the safety, reliability, capacity, and efficiency of the existing 128-mile rail system with modern, automated operations
- Start systemwide rail modernization on the Red Line, allowing communications-based train control (CBTC) equipped railcars to operate in fully automatic train operation (GoA 4), with platform doors between Grosvenor-Strathmore and Silver Spring Stations.



GoA 4: Grade of Automation Level 4 – Full Automation; PSD: Platform Doors

KEY FEATURES

Rail Modernization

- Construct a parallel, new rail signaling system with modern technology (CBTC), enabling efficient automated operations
- Phase out inefficient, legacy rail signaling system

Rail Automation

- Metro was originally designed for semi-automatic operation (GoA 2) which automates setting a train in motion and stopping a train
- Full automation (GoA 4) expands automated capabilities to closing doors and operating in the event of a disruption

Rail Modernization Program (cont.)

BUDGET OUTLOOK:

- The Approved FY2027-FY2032 Capital Improvement Program includes planning work to develop the systemwide implementation strategy and Red Line Modernization Project
- Pursue Capital Investment Grants (CIG) Program funding and other federal sources, e.g., federal financing through the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program
- DMV*Moves* funding needed to implement systemwide

Investment	Phase	ROM ($M)	Funded in Approved Budget	Est. Percentage Federal
Strategic Implementation Plan Development	Underway Project	28	Yes	0%
Red Line Modernization Project	Design & Engineering	1,612	Yes	40-60%
Orange, Blue, Silver, Yellow, and Green Lines Signal Modernization	Concept	3,845	No	TBD
Platform Doors (Remaining Systemwide)	Concept	2,161	No	TBD
TOTAL		**7,646**		

Rail Modernization Program (cont.)

CURRENT STATUS:

- Completed station platform edge visual assessment on Red Line
- Completed preliminary historic preservation assessment of train control rooms on Red Line
- Continue development of platform door concepts
- Coordinating with State Historic Preservation Offices and FTA as part of environmental review
- Advancing platform structural capacity analysis on Red Line
- Reviewing Program Management Consultant (PMC) qualification proposals to develop shortlist from which to solicit technical proposals

Risk	Mitigation
Program Management	Establish core team to support internal coordination
Regulatory	Begin frequent, close coordination with FTA to ensure compliance with federal requirements (NEPA, etc.)
Schedule	Secure timely approvals to facilitate quick program delivery
Procurement	Work with industry partners to gauge interest and capability to deliver CBTC
Funding	Coordinate with funding partners to obtain additional regional funding

Key Milestones

- ☑ **July 2026** Approved into federal CIG Program; Began PMC procurement
- ☐ **Fall 2026** Initiate Section 106 historic preservation consultation
- ☐ **December 2026** Anticipate award of PMC contract
- ☐ **June 2027** Anticipate award of Independent Safety Assessor contract
- ☐ **Summer 2027** Release RFP and award contracts for CBTC and PSD design work
- ☐ **Fall 2027** Select Locally Preferred Alternative