



November 3, 2021

Mr. Nicolas Truchon, CEO  
 Rideau Transit Group GP  
 1545 Carling Avenue  
 Suite 406  
 Ottawa, ON K1Z 8P9

Your reference: RTG-OTT-58-0-LET-1297

Our reference: OTT-RTG-RLET-0623

Dear Mr. Truchon:

**RE: Ottawa LRT Project – Project Agreement dated February 12, 2013 ("PA" or "Project Agreement")<sup>1</sup> between the City of Ottawa (the "City") and Rideau Transit Group Partnership ("RTG")**

**OTT-RTG-LET-0410 (October 1, 2021) (the "October 1, 2021 Letter"); OTT-RTG-LET-0415 (October 18, 2021) (the "October 18, 2021 Letter, and collectively, the "City Letters")**

### **Remedial Rights and Remedial Actions – Onboard Heat Detection Systems**

The City writes further to RTG's letter of October 18, 2021, as referenced above, enclosing a letter from Alstom regarding the installation of the onboard heat detection system (the "**Alstom Letter**").

As a preliminary matter, the City notes that the RTM appears to have sent the Alstom letter to RTG on October 12, 2021. However, for reasons unknown to the City, RTG failed to provide the Alstom Letter to the City until October 18, 2021. Given the seriousness of the situation arising out of the Derailments and the fact that RTG had requested an extension of the time to respond (but then passed along an Alstom letter 6 days after it was received with no additional analysis performed), the City would appreciate if RTG took all necessary steps to ensure that communications are provided to the City on a timely basis. The City would also appreciate if RTG actually consider appropriate measures as opposed to simply adopting positions taken by Subcontractors with inadequate explanations.

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<sup>1</sup> All capitalized terms not defined herein shall bear their meanings as defined in the Project Agreement.



In any event, the Alstom Letter indicates that Alstom disagrees with proceeding to immediately undertaking the necessary design and engineering in order to install Heat Detection Systems on the Vehicles, as requested by the City in its October 1, 2021 Letter.

Alstom suggests that since the Root Cause analysis remains ongoing, implementing the Heat Detection System requested by the City would be "premature". Alstom notes that various Early Detection Methods described in the document titled "LRV19 Derailment – 8D Summary" are being considered for implementation.

Alstom has not provided sufficient analysis for the City to understand its conclusions. A cross-reference to a chart in a slide deck is insufficient and the City requests that RTG provide a proper explanation, supported by required design and engineering, as was directed through the exercise of the City's remedial rights. Critically, it can be inferred through the various Alstom documents that an onboard heat detection system has been installed on Alstom's TTNG product line which seems to undermine any ongoing or general argument that onboard heat detection is not used nor required on these vehicles. Absent a detailed engineering analysis of this matter, the City is not prepared to deviate from this requirement.

Further to the onboard heat detection system, the City requires that the necessary design and engineering for the following Early Detection Methods should be commenced immediately, pursuant to the City's rights under Section 32.3 of the Project Agreement:

1. Onboard wheel excessive slip/slide notifications to the Light Rail Operator;
2. Purpose-built and/or customized wayside solution for detection of axle and bearing failures (heat, acoustic and/or vibration monitoring); and
3. Wheel back-to-back measurement tool.

The City further requests that RTG confirm the commencement of the necessary design and engineering with respect to the above-noted early detection methods within five (5) Business Days of this correspondence.

The City reiterates that, pursuant to Section 32.4 of the Project Agreement, all costs and expenses incurred by RTG in relation to the implementation of the above-noted Early Detection Methods shall be borne by RTG, and all of the City's reasonable costs and expenses incurred in relation to the installation of the Heat Detection Systems shall be reimbursed by RTG.

The City further reiterates that if RTG does not confirm the commencement of the necessary design and engineering in order to implement the above-noted Early Detection Methods within five (5) Business Days, then the City will take direct action pursuant to



Section 1.6(d) of Schedule 15-3, Appendix A of the Project Agreement. The City is entitled to take this step without further notice or delay. Pursuant to its exercise of both Section 32 and Schedule 15-3, RTG is not entitled to a cure period prior to the City's exercise of rectification or Remedial Action.

The City reserves its rights to request RTG to take further rectification steps necessary to mitigate, rectify and protect against further breaches of the Project Agreement by RTG or failure in the performance of RTG's obligations, and reserves all of its other rights under the Project Agreement and at law.

Yours Truly,

A handwritten signature in black ink, appearing to read 'M. Morgan'.

Michael Morgan  
Director, Rail Construction Program

cc

Lorne Gray, RCP  
Troy Charter, OCT  
Mario Guerra, RTM