



Board Report

File #:2016-0010, File Type:Contract

Agenda Number:

SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE FEBRUARY 18, 2016

SUBJECT: BUS MIDLIFE AND CENTRAL MAINTENANCE ENGINE REPLACEMENT PROGRAMS

ACTION: ESTABLISH A LIFE OF PROJECT BUDGET

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to establish life-of-project budgets for the **Bus Midlife Program CP# 203036** in the amount of \$68,669,900; and the **Central Maintenance Bus Engine Replacement Program CP# 203035** in the amount of \$24,690,300.

ISSUE

In accordance with Metro's Financial Stability Policies, all new capital projects with requested Life of Project (LOP) budgets greater than \$5 million must be separately approved by the Board in addition to Metro's annual budget approval process. The Bus Midlife and Central Maintenance Bus Engine Replacement projects are and will be recurring programs within Metro's budgets in FY16, FY17, and FY18.

First year funding for these programs is included in the FY16 Adopted budget which was approved on May 28, 2015. A separate follow on Board approval is required to adopt the remaining balance of the multi-year projects for the total life of the project budget.

DISCUSSION

Staff is requesting approval for an LOP of \$68,669,900 be established to perform 399 bus midlife overhauls under Bus Midlife Program, CP# 203036 and an LOP of \$24,690,300 to perform 178 engine replacements and/or other major repairs under Central Maintenance Bus Engine Replacement Program, CP# 203035.

The Bus Midlife Program was initiated in FY04 to provide heavy preventive maintenance service and in turn, improved performance and reliability of the Metro owned and operated buses. The scope of work includes engine package replacement, fuel cylinder inspection and repair, suspension work,

body repair, painting, and interior refurbishment (including graffiti/vandalism abatement) and wheelchair lift system refurbishment. The bus series to be midlife overhauled and refurbished in this project include 54 NABI 60' articulated 9500 Series buses and 332 NABI 45' composite buses from the 8100 and 8400 bus series. These buses went into revenue service in 2007, 2008 and 2009.

The Engine Replacement Program is intended to replace or repair high mileage engine packages of buses that are now showing wear and repeat engine-related road calls. The bus series to be included in the engine replacement program include but are not limited to the New Flyer 5300 series, NABI 7300 series and NABI 7600 series. Engine types to be repaired or replaced are the Cummins ISLG 8.9, Detroit Diesel Series 50 and Doosan (repair only).

The improved overall condition of vehicles that go through the programs help to maintain the assets in a State of Good Repair for the full life of the asset and reduce major maintenance activities at Metro's Bus Operating Divisions.

The programs promote efficient utilization of Central Maintenance's resources by responding proactively with scheduled midlife production rather than reacting inefficiently to unplanned bus performance problems. The program also enables Central Maintenance to cost effectively manage demand for heavy bus repairs.

DETERMINATION OF SAFETY IMPACT

Approval of the item will have a positive impact on safety as it will result in improving the condition of the transit service assets, improve performance, and in-service reliability.

FINANCIAL IMPACT

Adoption of the Bus Midlife and Central Maintenance Engine Replacement Programs will establish an LOP Budget of \$68,669,900 for the Bus Midlife and an LOP Budget of \$24,690,300 for the Bus Engine Replacement Programs.

Funds of \$10,261,700 have been included in the FY16 budget for CP 203036 Bus Midlife and \$4,003,700 for CP 203035 Central Maintenance Bus Engine Replacement Program.

Since these are multi-year projects, the cost center manager and Executive Director, Maintenance will ensure that the balance of funds are budgeted in future years.

Impact to Budget

There is no impact to the FY16 budget as this was an anticipated program included in the FY16 Adopted budget. The planned source of funds for these projects comes from local funding source TDA Article 4. TDA-4 is eligible for Bus and Rail Operating or Capital Projects.

ALTERNATIVES CONSIDERED

The alternative is not to authorize the life-of-project (LOP) budget for these projects, but this is not recommended by Metro staff because without proceeding with the Bus Midlife and Central Maintenance Bus Engine Replacement Programs, the safety, efficiency and reliability of the buses may be compromised.

NEXT STEPS

Bus Maintenance will continue the Bus Midlife and Bus Engine Replacement programs..

ATTACHMENTS

Attachment A - Midlife and Repower_PROJECTS LOP Adoption_Attachment A

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ATTACHMENT A

PROJECT 203036 - BUS MIDLIFE PROGRAM

Uses of Funds	FY16	FY17	FY18				Total	% of Total
ITD & FY16 Anticipated Exp	\$ 10,261.7						\$ 10,261.7	15%
Non-labor Forecast		15,588.0	12,964.9				\$ 28,552.9	42%
Represented Labor Cost		14,418.1	14,674.7				\$ 29,092.7	42%
Non-Represented Labor Cost		195.2	202.0				\$ 397.2	1%
Contingency			364.4				\$ 364.4	1%
Total Project Cost	\$ 10,261.7	\$ 30,201.3	\$ 28,206.0		#		\$ 68,668.9	100%
Sources of Funds								
TDA Article 4	\$ 10,261.7	TBD	TBD					

PROJECT 203035 - CENTRAL MAINTENANCE ENGINE REPLACEMENT PROGRAM

Uses of Funds	FY16	FY17	FY18				Total	% of Total
ITD & FY16 Anticipated Exp	\$ 3,993.6						\$ 3,993.6	16%
Non-labor Forecast		5,654.6	5,537.9				\$ 11,192.5	45%
Represented Labor Cost		4,078.1	4,375.3				\$ 8,453.4	34%
Non-Represented Labor Cost		195.2	202.0				\$ 397.2	2%
Contingency			653.7				\$ 653.7	3%
Total Project Cost	\$ 3,993.6	\$ 9,927.9	\$ 10,768.9		#		\$ 24,690.3	100%
Sources of Funds								
TDA Article 4	\$ 3,993.6	TBD	TBD					

TBD - To Be Determined

In Legistar:

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