



**OPERATIONS COMMITTEE
APRIL 19, 2007**

PROJECT: RAIL OPERATIONS TRAINING FACILITY

ACTION: ESTABLISH LIFE-OF-PROJECT (LOP) BUDGET

RECOMMENDATION

Establish a life-of-project budget for the Rail Operations Training Facility CP #204068 in the amount of \$17,600,000 and include the project in the FY08 capital program budget.

RATIONALE

In January 2005, the Board adopted the FY06 Financial Standards, which require that all capital projects with expenditures greater than \$5 million be approved by the Board separate from Metro's annual budget approval process.

Metro Rail does not currently have adequate training facilities for train operators, supervisors, rail controllers, maintenance-of-way inspectors, and vehicle technicians.

This Rail Operations Training Facility project will construct a training facility for Metro Rail operations. The training facility will have general-purpose classrooms and specialized training labs with equipment simulators for the various equipment found on Metro Rail. The equipment simulators will be used to train staff that must repair the equipment and to familiarize others with equipment operation. The training facility will provide needed space for rail vehicle simulators to train the operators before putting them in the cab of an actual rail vehicle.

A single rail training facility will allow for the various technical disciplines to share common classroom space and dedicated training labs that can be used to train the technicians that must repair the equipment and train the users of that equipment. Currently, training is conducted at all rail divisions, Rail Operations Control, and the two Maintenance-of-Way buildings, requiring duplicate equipment and facilities.

The cost estimate for this project is a preliminary Rough Order Magnitude at this time. Final cost estimate and LOP will depend on actual requirements determined during the initial study phase and on acquisition costs of final parcel selected.

FINANCIAL IMPACT

Funding for CP 204068 will be included in the FY08 proposed budget. This capital project was approved by the Capital Executive Investment Committee and is proposed to be funded in the FY08 capital program with Proposition A 35% Rail funds.

Since this is a multi-year project, the Project Manager and Deputy Executive Officer is responsible for budgeting the cost in future years consistent with the board-adopted total life-of-project budget.

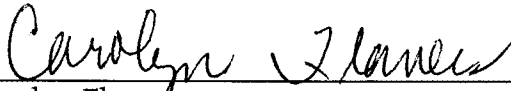
ALTERNATIVES CONSIDERED

An alternative is to not proceed with this project. This is not recommended, as it will result in increasing operational expenses to adequately train Rail Operations staff. A delay in approving the project will result in escalated costs in future years. Therefore if this project is revisited at a later date, the cost of this same project will increase in value.

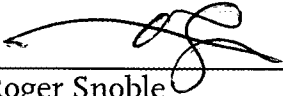
ATTACHMENTS

A Capital Project Funding & Expenditure Plan

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Roger Snoble
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ATTACHMENT A

RAIL OPERATIONS TRAINING FACILITY – CP 204068

CAPITAL PROJECT FUNDING & EXPENDITURE PLAN

	FY08	FY09	FY10	FY11	TOTAL	% of Total
Uses of Funds						
Professional Services	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	1%
Land Acquisition	\$ -	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	11%
Construction	\$ -	\$ -	\$ 5,000,000	\$ 5,000,000	\$ 10,000,000	57%
Labor	\$ 292,493	\$ 349,745	\$ 473,598	\$ 349,677	\$ 1,465,513	8%
Systems/Equipment	\$ -	\$ -	\$ 330,000	\$ 750,000	\$ 1,080,000	6%
Contingency	\$ 75,859	\$ 500,865	\$ 1,156,263	\$ 1,221,500	\$ 2,954,487	17%
Total Project Cost	\$ 468,352	\$ 2,850,610	\$ 6,959,861	\$ 7,321,177	\$ 17,600,000	100%
Sources of Funds						
Prop A 35% Rail funds	\$ 468,352	\$ 2,850,610	\$ 6,959,861	\$ 7,321,177	\$ 17,600,000	100%
Total Project Funding	\$ 468,352	\$ 2,850,610	\$ 6,959,861	\$ 7,321,177	\$ 17,600,000	