



**OPERATIONS COMMITTEE
SEPTEMBER 16, 2004**

PROJECT: METRO BLUE LINE, DIVISION 11 FACILITY EXPANSION

ACTION: INCREASE THE LIFE OF PROJECT BUDGET

RECOMMENDATION

Increase the Life of Project budget for the Metro Blue Line, Division 11 facility expansion from \$12,593,000 to \$17,395,500.

RATIONALE

Division 11 facility expansion was included in the FY05 budget at a life of project budget of \$12,593,000. Subsequent to the adoption of the budget, bids were received which increased the financial requirements of the project by \$4,802,000 to \$17,395,500. Escalated items having a direct impact on the increase in pricing of the project are to include steel market prices, concrete material prices, and limited interest by potential construction firms to perform specialized job requirements associated with the project, such as high voltage catenary systems.

BACKGROUND

The project utilizes the design build approach for the engineering, design, and construction phases. This project will include the following areas being upgraded or expanded consisting of the Service and Inspection facility, employee parking lot, rail car vehicle wash, rail car cleaning platform, yard support facility, and adding Overhead Catenary System (OCS) to three (3) existing yard storage tracks. These areas support Preventive Maintenance Programs, Overhaul Programs, Cleaning Programs, and Yard Operation movement required for daily revenue service.

The Division 11 facility was constructed in 1989 as part of the Metro Blue Line. The requirements for rail car maintenance have increased substantially since the facility was built. To accommodate the increased need for preventive maintenance, the Service and Inspection facility will be expanded with the addition of three (3) inspection pits and bays. In its original configuration, trains were operated in single and two-car consists to meet revenue service level requirements. With the extension of the passenger platforms to accommodate three-car consists, current train sets are now operated in two-car and three-car

consists. In addition to service level requirements increasing, the fleet size has also seen an overall increase from fifty-four (54) rail cars to the present size of sixty-nine (69). This has resulted in a fleet size increase of twenty-seven percent (27%) with no increase in facilities to support the growth. Adjacent to this area, the general parking lot will also be expanded due to current employee parking limitations. This is a direct result of the increased staffing size requirements to maintain and operate the fleet.

Rail car vehicle wash and cleaning platform expanded from its current single rail car configuration to accommodate three-car consists. In order for staff to clean presently they are being required to gain access from ground level locations within the yard, with equipment, in order to perform their cleaning activities. This is not only inefficient by adding time to cleaning functions based on lost time just having to mobilize in the current cleaning environment. This is also a safety concern which promotes increased worker injuries due to the working conditions the cleaning staff are being exposed to in order to gain access within and adjacent to the rail cars. By the expansion of this area it will provide staff at-grade boarding into the rail cars, staging areas for cleaning equipment, and level working surfaces. This in turn will promote a safer working environment resulting in therefore increased operating efficiencies.

The final portion of this expansion project consists of upgrading an existing building utilized for special campaigns and programs in the general yard storage area. Adding OCS within the structure, upgrading the facility structurally, and the addition of amenities for increased maintenance activities. Adjacent to this facility OCS will also be added to three (3) current storage tracks, which are presently not electrified. For Rail Operations to store equipment on these tracks based on the present configuration requires additional staff positioning equipment and securing it once in place. With the addition of the OCS Rail Operations will have access to these tracks as they do presently in the remaining portion of the entire yard area providing free movement throughout the facility yard limits.

IMPACTS TO OTHER CONTRACTS

There are no impacts to other contracts at this time.

FINANCIAL IMPACT

The total cost of the construction of the Division 11 facility upgrade and expansion project is comprised of the following line items:

Contract Cost	\$13,455,000
10% Contingency	\$1,345,500
MTA Labor	\$1,500,000
Development costs	<u>\$1,095,000</u>
Total	\$17,395,500

The funds for this project are included in the FY05 and FY06 Capital Improvement Plan in the following projects:

Source	Amount
MBL Rail Vehicle Midlife Overhaul (CP#3106001-FY06 Fund)	\$ 2,800,000
MGL Vehicle Midlife Overhaul (CP#3106007 – FY06 Funds)	\$ 1,995,500
Division 11 Facility Expansion (CP#3205146 – FY05-06 Funds)	\$12,600,000
Total	\$17,395,500

Presently, the Rail Fleet Services department is re-evaluating the Metro Blue Line and the Metro Green Line Vehicle Midlife Overhaul projects, and analyzing whether to rehabilitate or purchase new vehicles. In the interim, the FY06 funds for these projects are partially being diverted to the Division 11 Expansion to optimize funds utilization in the Rail Capital program.

ALTERNATIVES CONSIDERED

Not proceeding with the current proposal will result in increased Rail Operations operational expenses to support daily revenue service requirements. A delay in increasing the budget ceiling may prevent the award of the contract for the competitive price at the present value therefore if this current scope was revisited at a later date the cost of the same project will only increase in value.

The funds for this project are a combination of federal and local funds. Since this is a multi-year project, the Project Manager and Deputy Executive Officer will be responsible for budgeting future years expenditure requirements.

ATTACHMENTS

- A. Life of Project Cost Status
- B. Financial Grant Status

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LIFE OF PROJECT (LOP) COST STATUS
 CP #3205146 - DIVISION 11 EXPANSION PROGRAM

Description	Original LOP	Current LOP Forecast	Forecast Variance
Contract Cost	11,155,300.00	13,455,000.00	2,299,700.00
10% Contingency		1,345,500.00	1,345,500.00
MTA Labor	342,700.00	1,500,000.00	1,157,300.00
Development costs	1,095,000.00	1,095,000.00	0.00
LOP TOTAL	12,593,000.00	17,395,500.00	4,802,500.00

FY05 Commitments	Expenditures To Date
	1,095,000.00
	1,095,000.00

PROJECT COST ANALYSIS

Current Forecast

The cost estimates were prepared several months before the fiscal year budget was adopted, and the bid was received at the conclusion of the FY05 budget process. Consequently, the cost increases to the contract could not be forecasted. Cost increases occurred in several line items for \$4,802,500 to include steel, concrete, fire protection, catwalks and safety railings.

Development Costs

The labor cost incurred by MTA staff to develop project. Future costs for MTA labor will include construction management, contract management and direct labor support.

Expenditures

Expenditures amounting to \$1,095,000 are cumulative through period ending June 2003 and are specifically for in-house labor development costs.

FINANCIAL GRANT STATUS

Capital Project #3205145, Division 11 Expansion
June-04

STATUS OF FUNDS BY SOURCE

SOURCE	(A)	(B)	(C)		(D)	(D/E)	(E)	(E/F)	(F)	(F/E)
	Original Budget	Total Funds Anticipated	Total Funds Available	Committed	Committed \$	Committed %	Expenditures \$	Expenditures %	Billed to Funding Source \$	Billed to Funding Source %
Section 5309 Fixed Guideway	4.01	4.01	4.01	0.00	0.00	0	0.19	5%	0.00	0%
STA Local Match	8.59	9.55	9.55	0.00	0.00	0	0.92	10%	0.03	0%
Prop C 40%		3.84	3.84							
TOTAL	12.6	17.4	17.4	0	0	0	1.11	6%	0.03	0%

\$ millions

STATUS OF FUNDS ANTICIPATED

FTA Section 5309 FG: \$4.01 million approved under FTA grant CA-03-0568.
All funds are available