



**OPERATIONS COMMITTEE
MARCH 17, 2005**

SUBJECT: GOLD LINE WAREHOUSE - EQUIPMENT AND STORAGE PROJECT

ACTION: INCREASE THE LIFE OF PROJECT BUDGET

RECOMMENDATION

Increase the Life of Project for the Gold Line Warehouse –Equipment and Storage Project by \$500,000, increasing the Life of Project Budget from \$1,267,000 to \$1,767,000.

RATIONALE

The Board approved the Gold Line Warehouse –Equipment and Storage Project Life of Project Budget of \$1,267,000 during the FY05 budget process in June 2004. However, the project's cost has increased due to changes in construction material costs (steel and concrete); a change in the original building site requiring scope of work revisions, and the need to construct a retaining wall, as well as modifications of drainage and electrical plans. The original building site was an area adjacent to the Gold Line property and is part of the City of Los Angeles long-range improvement plan.

DISCUSSION

Metro operates a Rail Maintenance Facility in Los Angeles known as Division 21 located at 1800 Baker Street where the subject project is being constructed.

The Gold Line Warehouse –Equipment and Storage Project's Life of Project is a three-phase project to construct the storeroom and warehousing infrastructure to provide materials and parts services to Gold Line maintenance operations and to provide protection and security of Metro's material and inventory assets.

The first phase is complete and was comprised of the acquisition and installation of the shelving, pallet racking, storage carousels, vertical panel racks, flammable storage cabinets, hazardous material containers and material handling equipment for the maintenance shop storeroom.

The second phase is scheduled for completion in FY05 and includes the acquisition and installation of specialized high-density racking that maximizes the limited available space. This racking system will secure pallet-size material inside the maintenance shop storeroom.

The third and final phase is the construction of a supplemental storage warehouse that consists of a metal storage building, approximately 7,000 square feet, built on the limited available space at the Gold Line Maintenance Facility site. The height of the building will accommodate the installation of twenty-two foot high pallet racks that provides safe and efficient storage for approximately 500 pallets of spare parts. The design and location of the building is in compliance with city codes. The storage building will contain the proper safety features including lighting, fire suppression equipment, ventilation and other requirements that are needed to meet state and local building codes.

The final phase of this project will meet Metro's current and future storage requirements to secure and protect its inventory investment of spare parts necessary for maintaining the current Siemen's Gold Line cars and future delivery of the new light rail cars.

IMPACTS TO OTHER CONTRACTS

There are no impacts to other contracts at this time.

FINANCIAL IMPACT

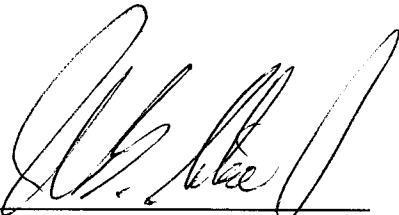
This action amends the Life of Project Budget for the Gold Line Warehouse – Equipment and Storage Project by \$500,000, resulting in an increase from \$ 1,267,000 to \$1,767,000.

The funds for this increase are being funded from cost savings in other capital projects. Since this is a multi-year project that is planned for completion in December 2005, the Project Manager will be responsible for budgeting in FY06.

NEXT STEPS

If the requested Life of Project Budget increase is approved, the Procurement Department will proceed with the contract award to lowest responsive and responsible bidder.

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