



PROJECT: BUS MIDLIFE PROGRAM

ACTION: APPROVE LIFE OF PROJECT BUDGET

RECOMMENDATION

Establish a new life of project budget for the FY06 Bus Mid-Life Rebuild Program in the amount of \$12,000,000.

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 separately by the Board. The bus rebuild program is a recurring project with an authorized not to exceed amount for each fiscal year. For FY05 the approved annual not to exceed amount was \$17,286,000. In the FY05 budget amendment, this project was reduced by \$1.6 million.

Requested funding for the Bus Midlife Program is based on the amount of labor hours and parts required to overhaul a bus with and without completing an engine package change out. The requested funding in FY05 provided funds to complete 190 bus overhauls and 190 engine change outs. The funding requested for FY06 will enable Central Maintenance to perform 185 bus overhauls and 100 engine change outs. There is a scope of work detailing each task involved in the Bus Midlife program which ensures that unless there is a significant fluctuation in the cost of parts, the proposed budget will be expended in full in FY06.

The Bus Midlife Program, initiated in FY 2004, provides preventive, mid-life maintenance service to Metro buses over five years old. The maintenance services provided include engine package change-outs, fuel cylinder replacements, suspension work, body repair, painting, and interior refurbishment including graffiti abatement and wheel chair lift maintenance.

The Bus Midlife Program improves the safety, performance, and reliability of Metro buses. The improved overall condition of the program's vehicles also helps to reduce maintenance costs and the amount of maintenance work performed at the Metro Bus Operating Divisions.

The program promotes efficient use of Central Maintenance's resources due to the fact that each bus series will go through the same pre-selected process. Labor, material and facilities

can be scheduled according to the Midlife plan, verses reacting to unplanned problems as they arise. The planned maintenance program also enables Central Maintenance to manage demand for heavy bus repairs.

FINANCIAL IMPACT

This request is for approval of an FY06 project and will have no impact on the FY05 budget. This capital project is proposed to be funded in the FY06 capital program with local funds.

In FY06, \$8.0 million will be allocated for parts and \$4.0 million will be allocated for labor. A detailed financial plan is included in Attachment A.

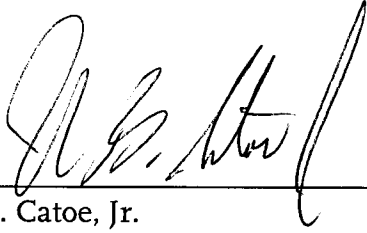
ALTERNATIVES CONSIDERED

Not proceeding with the current proposal will negatively impact the safety, performance, and reliability of Metro buses. The improved overall condition of the program's vehicles also helps to maintain the life of asset and reduce major maintenance work performed at the Metro Bus Operating Divisions.

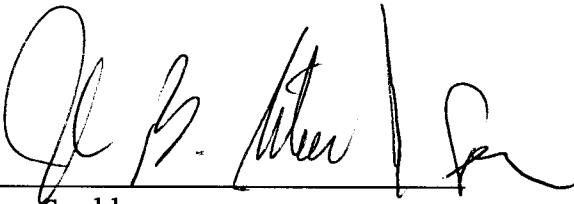
ATTACHMENT

A. Financial Plan

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Roger Snoble
Chief Executive Officer

ATTACHMENT A

FINANCIAL PLAN

Project Title	Project No.	Date Expenditures	Balance of Project Costs	Forecasted Expenditures	Approved Life of Project	Increase/ (Decrease)
FY06 Bus Midlife Program	203003	\$ -	\$ -	\$ 12,000,000	\$ 12,000,000	\$ -
Project Administration		\$ -	\$ -			\$ -
Design/ Specifications		\$ -	\$ -			\$ -
Construction/Rehab/Renovation		\$ -	\$ -			\$ -
Parts/ Material		\$ -	\$ -	\$ 8,089,813	\$ 8,089,813	\$ -
Contingency		\$ -	\$ -			\$ -
Land Acquisition		\$ -	\$ -			\$ -
PROF SVC		\$ -	\$ -			\$ -
LABOR		\$ -	\$ -	\$ 3,910,187	\$ 3,910,187	\$ -
Systems/ Equipment		\$ -	\$ -			\$ -
Vehicle Acquisition		\$ -	\$ -			\$ -