

**Metro****OPERATIONS COMMITTEE
MARCH 17, 2005****SUBJECT: DIVISION LIGHTING PROGRAM FOR METRO DIVISIONS****ACTION: APPROVE INCREASE TO THE LIFE OF PROJECT BUDGET****RECOMMENDATION**

Increase the Life of Project for the Division Lighting Program (CP# 202009) by \$360,000, increasing the Life of Project Budget from \$838,000 to \$1,198,000.

RATIONALE

The Division Lighting Program for Metro Divisions is a project with the primary goals of: (1) improving maintenance efficiency at the Divisions by upgrading and increasing lighting fixtures, (2) providing safer working conditions in the yards and maintenance building by increasing and upgrading lighting, and (3) modernizing all lighting equipment at the divisions by installing energy efficient lighting fixtures and bulbs which will translate to electrical savings at the Divisions.

The Division Lighting Program Life of Project (LOP) budget of \$838,000 was approved by the Board at the time of FY05 budget approval in June 2004. Since then, Phase I of the project has been completed (Divisions 2 and 9 and RRC), and construction bids have been received for Phase II (Division 2, 3, 15, and RRC). In both cases, the cost bids from the lowest successful bidders were higher than originally budgeted due to recent and severe cost increases in construction materials and services.

Due to the aforementioned increase in construction costs, the LOP must now be revised to reflect the actual funding required to complete the project. Award of the Phase II lighting upgrade contract to the lowest bidding contractor is pending approval of this LOP request.

FINANCIAL IMPACT

This action will amend the Life of Project by \$360,000, resulting in an increase from \$838,000 to \$1,198,000. The funds will be budgeted in CP #202009 Division Lighting program for Metro Divisions Project in Cost Center 3341.

ALTERNATIVES CONSIDERED

The Board of Directors may choose not to authorize an increase to the Life of Project budget for this project. This alternative is not recommended, since rejection of the LOP increase would prohibit award of the Phase II construction contract for lighting upgrades at Division 2, 3, 15 and RRC.

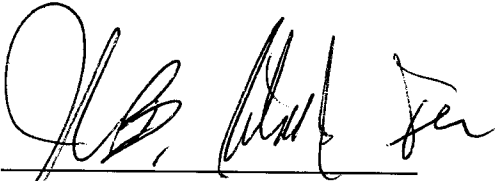
ATTACHMENTS

A. Division Lighting Program for Metro Divisions: Life of Project Budget Status

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John B. Catoe, Jr.
Deputy Chief Executive Officer



Roger Snoble
Chief Executive Officer

ATTACHMENT A

Expenses	Plan to Date Expenditures	Encumbrance	Balance of Project Costs	Total Forecasted Expenditures	Board Approved Life of Project Budget	Over/(Under) budget
Acquisitions	\$ 197,700	\$ -	\$ 197,700	\$ 997,700	\$ 688,000	\$ (309,700)
Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries & Benefits	\$ 167,000	\$ -	\$ 167,000	\$ 200,300	\$ 150,000	\$ (50,300)
				\$ -		\$ -
Total	\$ 364,700	\$ -	\$ 364,700	\$ 1,198,000	\$ 838,000	\$ (360,000)

The Division Lighting Program life of project (LOP) budget of \$838,000 was approved by the Board at the time of FY05 budget approval in June 2004. Since approval of the LOP, Phase I of the project has been completed and Phase II has been designed and is scheduled for contract award in July 2005. The cost bids from the lowest successful bidders for both phases were higher than originally budgeted, due to recent and severe cost increases in construction materials and services. Due to these cost increases, the LOP must now be revised to reflect the actual funding required to complete the project.