

**EXECUTIVE MANAGEMENT  
AND AUDIT COMMITTEE**

SEPTEMBER 15, 2005

**SUBJECT: NEOPLAN BUS DIGITAL VIDEO RECORDER (DVR) 3 INSTALLATION****ACTION: APPROVE INCREASE TO THE LIFE-OF-PROJECT BUDGET****RECOMMENDATION**

Increase the life-of-project budget (LOP) for the Digital Video Recorder and Bus Division Equipment Project by \$1,148,297, increasing the life-of-project budget from \$1,031,000 to \$2,179,297.

**RATIONALE**

Digital Video Recorder (DVR) systems are used for providing security monitoring in the interior of buses, for graffiti and crime prevention, and to provide incident video taping which may be required for legal proceedings and law enforcement response. The majority of Metro's bus fleet are equipped with modern and state-of-the-art DVR-3 systems; however, 397 Neoplan buses purchased between 1995 and 1998 and located at Divisions 3, 10, and 18 are still equipped with outdated and inefficient DVR-1 systems. The DVR-1 systems on the older Neoplan buses are obsolete and parts are no longer readily available. The failure rate is also high, subsequently causing high maintenance costs. Furthermore, the DVR-1 systems are not compatible with Metro's Advanced Transportation Management System (ATMS). The newer DVR-3 systems have a patented cellular transmission system that can store and transmit images to a central monitoring system through ATMS, enabling "real time" monitoring of buses from a remote location. To ensure safety and security for Metro and our customers, it is imperative that the old and outdated DVR-1 systems be completely replaced with new and state-of-the-art DVR-3 systems.

In response to this issue, Metro awarded Contract No.OP33201598 to GE Infrastructure Security (GE) on June 23, 2005 for potential replacement of all remaining DVR-1 systems with DVR-3 systems. Due to limited funds availability during the FY06 budget process, Metro requested that GE provide a base bid for 130 buses at Division 18, with exercisable options for 99 buses at Division 3 and 168 buses for Division 10. This contracting strategy would allow Metro to go forward on Division 18 utilizing the limited funds, while providing an efficient and cost-effective means to complete the remainder of the DVR upgrades if funds were to become available. Metro started installation of the 130 buses at Division 18 (base bid) on August 11, 2005; however, the options for Division 3 and 10 have not been exercised to date pending approval of this LOP increase request.

The Board approved the Digital Video Recorder and Bus Division Equipment project during the FY06 budget process, which had a LOP budget of \$1,031,000. Recently, the Board of Directors directed staff to implement additional security measures as quickly as possible due to terrorism and homeland security concerns. The most efficient and cost-effective means to implement the additional security measures, and complete the system-wide DVR upgrades, is to exercise the options in the existing contract with GE. Exercising the options mandates that the LOP must be revised to reflect the actual funding required to complete the project. Exercising the options to install DVR-3s on the remaining Neoplan buses within the GE contract is pending approval of this LOP request.

**FINANCIAL IMPACT**

This action will increase the life-of-project budget of project number 202003, Digital Video Recorders and Division Equipment by \$1,148,297, resulting in an increase from \$1,031,000 to \$2,179,297. The funding required for this project will be transferred from the following projects:

<b>CP Name &amp; Title</b>	<b>FY06 Non-Labor Budget</b>	<b>Amount Transferred</b>	<b>Remaining Amount</b>
CP 202003 Digital Video Recorder and Bus Division Equipment Project	\$ 808,176	\$ 190,484	\$ 617,692
CP 202035 FY06 Bus Facility Contingency Project	\$ 838,628	\$ 338,628	\$ 500,000
CP 202040 FY06 Bus Division Maintenance Project	\$ 797,596	\$ 105,000	\$ 692,596
CP 202065 Articulate Bus Facility Modification Project	\$ 4,299,274	\$ 514,185	\$ 3,785,089
<b>TOTALS</b>	<b>\$ 6,743,674</b>	<b>\$ 1,148,297</b>	<b>\$ 5,595,377</b>

This action does not require an amendment to the FY06 budget as the overall capital budget will not be increased.

The project budget and funding plan are included in Attachment A.

**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 staff from exercising the options in the GE contract, and upgrades of the outdated DVR-1 systems could not be accomplished in an efficient and cost-effective manner.

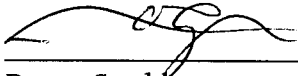
**ATTACHMENTS**

A. Digital Video Recorders and Division Equipment: life-of-project budget and funding plan

Prepared by: Tim Lindholm, Project Manager, Facilities-Operations  
Denise Longley, Deputy Executive Officer, Facilities-Operations



John B. Catoe, Jr.  
Deputy Chief Executive Officer



Roger Snoble  
Chief Executive Officer

CP 202003 Digital Video Recorders & Bus Division Equipment						
Expense Category	Board Approved Life of Project	Inception-to-Date Expenditures	Forecast of Cost to Complete	LOP Increase/ (Decrease)	Revised Life of Project	
Project Administration	\$ -	\$ -	\$ -	\$ -	\$ -	
Design / Specifications	-	-	-	-	-	
Construction/Rehab/Renovation	-	-	-	-	-	
Parts/ Material	-	-	-	-	-	
Contingency	-	-	-	-	-	
Land Acquisition	-	-	-	-	-	
PROF SVC	86,500	2,300	-	(84,200)	2,300	
LABOR	45,500	22,500	67,500	44,500	90,000	
Systems / Equipment	899,000	194,300	1,872,697	1,167,997	2,066,997	
Vehicle Acquisition	-	-	20,000	20,000	20,000	
<b>Total</b>	<b>\$ 1,031,000</b>	<b>\$ 219,100</b>	<b>\$ 1,960,197</b>	<b>\$ 1,148,297</b>	<b>\$ 2,179,297</b>	

Funding Plan	
Sources	FY06
Sales Lease Back	\$ 1,148,297
	-
	-
<b>Total</b>	<b>\$ 1,148,297</b>

The Digital Video Recorder and Division Equipment life of project (LOP) budget of \$1,031,000 was approved by the Board at the time of FY06 budget approval in May 2005. Since approval of the initial LOP, the Board of Directors has directed staff to implement additional security measures due to homeland security concerns. The proposed increase in LOP will allow staff to fully implement the project and replace all obsolete DVR-1 systems with ATMS-compatible DVR-3 systems.

\*\* The inception-to-date expenditures were primarily for division equipment such as; brake lathes, sign shop equipment, steam cleaners and paint shop equipment and not the DVR's. The LOP increase request is for the DVR project.