

**OPERATIONS COMMITTEE
MAY 18, 2006**

**SUBJECT: PGL MIDWAY WAREHOUSE - EQUIPMENT AND STORAGE PROJECT
(GOLD LINE WAREHOUSE)**

ACTION: APPROVE INCREASE TO THE LIFE OF PROJECT BUDGET

RECOMMENDATION

Increase the life-of-project (LOP) budget for the Gold Line Warehouse – Equipment and Storage Project by \$143,000, increasing the life-of-project budget from \$1,767,000 to \$1,910,000.

RATIONALE

The Board approved the Gold Line Warehouse – Equipment and Storage Project life-of-project budget of \$1,767,000 during the FY06 budget process in June 2005. Since then, differing site conditions were encountered in the form of electrical conduit placement and removal of concrete monolith that required contractual changes.

The Gold Line Warehouse – Equipment and Storage Project is a three-phase project to construct the storeroom and warehousing infrastructure to provide effective materials and parts services to Gold Line maintenance operations. The Gold Line Rail Maintenance Facility, also known as Division 21, is located at 1800 Baker Street, Los Angeles which was constructed on a site with extreme space constraints.

The first phase is completed and included the acquisition and installation of warehouse shelving, pallet racking, storage carousels, vertical panel racks, flammable storage cabinets, hazardous material containers and material handling equipment.

The second phase is completed and included the acquisition and installation of specialized high-density racking system that maximizes the limited available space. This high-density racking system stores pallets of inventory within a warehouse.

The third and final phase of the project is the actual construction of the storage warehouse that consists of a metal storage building, approximately 7,000 square feet, near the Southern end of the Gold Line Rail Maintenance Facility that will be completed by July 2007.

The LOP increase will cover the cost of:

- Removal of 15 yards of submerged concrete
- Realignment of conduit
- Economical price adjustment for steel
- Closeout activities

FINANCIAL IMPACT

This action will increase the life-of-project budget by \$143,000 from \$1,767,000 to \$1,910,000. The additional funding for this project will be transferred from available local funds programmed in FY06. The \$143,000 will be added to the Gold Line Warehouse – Equipment and Storage Project CP 209003 in Cost Center 6350.

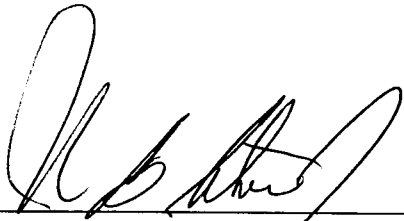
ALTERNATIVES CONSIDERED

The Board of Directors may choose not to authorize an increase to the life-of-project budget for the Gold Line Warehouse- Equipment and Storage Project. This alternative is not recommended as completion of the warehouse is designed to meet Metro's current and future storage requirements for the Gold Line cars and future delivery of new light rail cars, in a secure and protected environment.

ATTACHMENTS

A. Gold Line Warehouse project: Life-of-Project budget status

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GOLD LINE WAREHOUSE PROJECT: LIFE-OF-PROJECT BUDGET STATUS

Uses of Funds	Inception to Date - through FY05	FY06 Forecast	Increase in FY06 funds/LOP	FY06 TOTALS
Authorized FY06 LOP		\$1,767,000	\$143,000	\$1,910,000
Inception to Date - through FY05 Labor - FY06 Budget	\$1,029,282	\$5,898		\$5,898
Acquisition Funds - FY06 Budget		\$747,136	\$143,000	\$890,136
TOTAL		\$753,034	\$143,000	\$896,034
Sources of FY06 Funding Increase				
TDA Article 4			\$143,000	