



OPERATIONS COMMITTEE  
MAY 18, 2006

**SUBJECT: DIVISION 7 FACILITY IMPROVEMENTS PROJECT**

**ACTION: APPROVE INCREASE TO THE LIFE OF PROJECT BUDGET**

**RECOMMENDATION**

Increase the life-of-project (LOP) for the Division 7 Facility Improvements Project by \$1,539,000, increasing the life-of-project budget from \$3,561,000 to \$5,100,000.

**RATIONALE**

The Board approved the Division 7 Facility Improvements Project life-of-project (LOP) budget of \$3,561,000 during the FY05 budget approval process. Since then, the majority of the intended improvements have been completed. The specific projects completed to date include interior renovations of the transportation and maintenance buildings, construction of an articulated maintenance annex, construction of an exterior storage canopy, installation of hoists, yard and building security improvements, construction of new office space in the maintenance shop, installation of a new HVAC system, and installing new concrete throughout the entire bus yard.

The last remaining scope of work to be completed as part of this project is the construction of a sound wall between the Division 7 property and the adjacent residents of Huntley Drive. Metro has met several times with the community, and has completed sound testing to determine the engineering and material requirements of the sound wall. The next steps would be to design the sound wall, and procure a construction contract to complete the project by June 2007.

Due to severe cost increases over the last several years in construction materials such as steel and concrete, the cost bids from the lowest successful bidders for all of the contracts completed to date have been higher than originally budgeted. For this reason, Metro did not have adequate life of project budget to complete the facility improvements discussed above, plus complete the sound wall as agreed to between Metro and the community. This LOP increase will fund the inception-to-date expenditures as well as the sound wall and all FY07 anticipated costs.

## **FINANCIAL IMPACT**

This action will increase the life-of-project budget by \$1,539,000, from \$3,561,000 to \$5,100,000. The additional funding for this project will be \$1,326,000 in local funds programmed as part of the FY07 capital process, and \$213,000 in local funds that will be transferred from CP#202036 Bus Facility Contingency projects. The total funding of \$1,539,000 will be added to the Division 7 Improvements Project CP#202017 in Cost Center 3341. Please see Attachment A for a detailed breakdown of the proposed LOP budget.

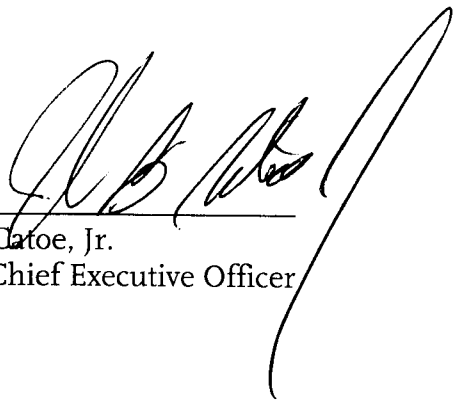
## **ALTERNATIVES CONSIDERED**

The Board of Directors may choose not to authorize an increase to the life-of-project budget for this Division 7 Improvements Project. This alternative is not recommended, since rejection of the LOP increase would prohibit construction of a sound wall between the Metro property and the residents of Huntley Drive, as agreed to between the community and Metro.

## **ATTACHMENTS**

A. Division 7 Improvements Project: Life of Project Budget Status

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

**ATTACHMENT A**

**CP 202017 Division 7 Improvement Project  
Funding/Expenditure Plan**

	Inception to Date	FY06 Forecast	FY07	Total	% of Total
<b>Uses of Funds</b>					
Project Administration	\$ 504,666	\$ 25,000	\$ 12,000	\$ 541,666	10.62%
Design/Specifications	\$ 631,572	\$ 23,200	\$ 13,748	\$ 668,520	13.11%
Construction/Rehab/Renovation	\$ 3,122,468	\$ 150,000	\$ 494,654	\$ 3,767,122	73.87%
Services	\$ 122,692	\$ -	\$ -	\$ 122,692	2.41%
<b>Total Project Cost</b>	<b>\$ 4,381,398</b>	<b>\$ 198,200</b>	<b>\$ 520,402</b>	<b>\$ 5,100,000</b>	<b>100%</b>
<b>Sources of Funds</b>					
Federal 5307	\$ 2,860,000	\$ 0	\$ 0	\$ 2,860,000	56%
TDA	\$ 1,521,398	\$ 198,200	\$ 520,402	\$ 2,240,000	44%
<b>Total Project Funding</b>	<b>\$ 4,381,398</b>	<b>\$ 198,200</b>	<b>\$ 520,402</b>	<b>\$ 5,100,000</b>	<b>100%</b>