



**Metro**

Metropolitan Transportation Authority

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**OPERATIONS COMMITTEE  
SEPTEMBER 18, 2008**

**SUBJECT: METRO SUPPORT SERVICES CENTER (MSSC) BUILDING 5  
COMPRESSED NATURAL GAS (CNG) MODIFICATION PROJECT**

**ACTION: APPROVE LIFE OF PROJECT BUDGET AND AMEND THE FY09 BUDGET**

**RECOMMENDATION**

Authorize the Chief Executive Officer to:

- A. Establish a life-of-project (LOP) budget for the MSSC Bldg 5 Modifications Project in the amount of \$2,650,000; and
- B. Amend the FY09 budget to add \$1,175,000 of revenues and expenses; and
- C. Re-programming of \$1,175,000 from project savings from the FY08 capital program to this new Capital Project to modify MSSC Building 5.

**RATIONALE**

This project is required to perform modifications at MSSC Building 5 (Central Paint Shop) so that compressed natural gas (CNG) buses can be refurbished and painted in this facility without being de-fueled. All other bus divisions and other MSSC bus repair buildings have been modified to allow work on CNG buses without de-fueling. Our Safety Policy and Procedures prohibit employees from servicing or repairing fueled CNG buses inside a facility that has not been modified to meet CNG safety requirements.

Currently, all buses painted by Central Maintenance at MSSC Building 5 require a four to five hour de-fueling process to remove CNG fuel in each bus. Given that there are 300 buses painted at this facility each year, this translates to an annual de-fueling time of 1,200 to 1,800 hours. To address this inefficiency, modifications to Building 5 are required to maximize utilization of MSSC labor resources, and increase paint productivity through the elimination of the de-fueling process. Also, this will ensure compliance to our Safety Policies. The proposed modifications to the building will include installation of gas detection systems, horns and strobe lights, battery packs for emergency lighting, modifications to all building ventilation systems, new exhaust fans connected to the emergency generator, new breakers and transfer switches, and construction of a new gas detection monitoring room for all supporting equipment.

In preparation for this project, staff began the procurement process for the design/build contract with bid evaluations completed in May 2008. Based on the actual bid price from the most technically qualified contractor with the lowest bid, the requested LOP budget for this project is estimated to be \$2,650,000, including all costs for labor, equipment, installation, administration and contingencies. If this project is approved by the Board, staff will award the design/build contract in September 2008. The project would commence approximately October 2008 with a forecasted completion date of July 2009.

### **FINANCIAL IMPACT**

The funding of \$1,475,000 is included in the FY09 budget in cost center 3341, Facilities, under Project 202038, FY09 Bus Facility Contingency (\$375,000) and Project 203012, Central Maintenance Shop Equipment (\$1,100,000). The additional funding of \$1,175,000 will be added to the FY09 budget in cost center 3341 in the new project 202282, MSSC Building 5 CNG Modifications. The additional funds are TDA4 funds that were programmed in the FY08 capital program for projects that are now completed and did not require all of the funds. Since this is a multi-year project, the cost center manager and Chief Operations Officer will be responsible for budgeting the costs in future years.

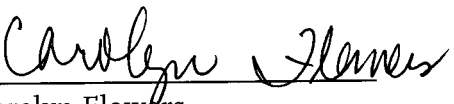
### **ALTERNATIVES CONSIDERED**

The Board of Directors may choose not to authorize the project at this time. This alternative is not recommended, since rejection of the project will result in continued de-fueling inefficiencies at Building 5 and potential noncompliance with our Safety policies. The Board may also choose to cancel this procurement and initiate a new procurement. This alternative is not recommended since a new procurement will likely result in higher bid costs while further delaying operational cost savings.

### **ATTACHMENTS**

- A. Metro Support Services Center (MSSC) Building 5 Compressed Natural Gas (CNG) Modification Project: Funding and Expenditure Plan

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**METRO SUPPORT SERVICES CENTER (MSSC) BUILDING 5  
COMPRESSED NATURAL GAS (CNG) MODIFICATION PROJECT**

**FUNDING AND EXPENDITURE PLAN**

	LOP Budget
<b>Uses of Funds</b>	
Project Administration	\$ 150,000
Design/Specifications	\$ 135,000
Construction & Equipment	\$ 2,150,000
Contingency (10% of Hard Costs)	\$ 215,000
<b>Total Project Cost</b>	<b>\$ 2,650,000</b>
<b>Sources of Funds</b>	
202237 FY08 Contingency Project – TDA4	\$ 675,000
202238 FY09 Contingency Project – TDA4	\$ 375,000
203011 FY08 Central Maintenance Shop Equipment – TDA4	\$ 500,000
203012 FY09 Central Maintenance Shop Equipment – TDA4	\$ 1,100,000
<b>Total Project Funding</b>	<b>\$ 2,650,000</b>