



**Metro**

Los Angeles County  
Metropolitan Transportation Authority

One Gateway Plaza  
Los Angeles, CA 90012-2952

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**REVISED**  
**CONSTRUCTION COMMITTEE**  
**APRIL 16, 2009**

**PROJECT: CP 204053 DIVISION 21 – PHASE II IMPROVEMENTS**

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

**RECOMMENDATION**

Increase the Life-Of-Project (LOP) Budget for Project CP 204053 (Division 21-Phase II Improvements) in the amount of \$9,000,000, increasing the previously authorized amount of \$5,000,000 to \$14,000,000 to be funded with a combination of federal and local funds.

**ISSUE**

The adopted Financial Stability Policy requires Board approval any time a project exceeds \$5,000,000. any time an LOP increase exceeds \$1,000,000. An increase to the Life-Of-Project (LOP) Budget for CP 204053 (Division 21-Phase II Improvements) is required to cover the cost increases due to significant scope revisions and other costs related to the re-phasing of the work, since the time the original LOP was approved as part of the FY07 budget.

**BACKGROUND**

As part of the FY07 budget, the Board approved a LOP of \$5 million for Project CP 204053 (Division 21-Phase II Improvements). At that time, the improvements to the Division 21 Midway Yard were being planned to be completed in (3) three phases. Phase I which added new storage tracks to the Midway Yard was completed under CP 204017. Phase II scope was originally intended to provide a Body Repair Shop to do minor body repairs on the new 2550 AnsaldoBreda Light Rail Vehicles. Phase III scope was to increase the area of the buildings on the site to add vehicle hoists and other equipment for heavier maintenance and repair; however no Phase III project has been included in the budget or funded rail construction plan.

Due to concerns raised by the City of Los Angeles regarding possible impacts to the Los Angeles River Revitalization Master Plan caused by Metro's plans to further expand the Midway Yard, the original engineering designs had to be revised significantly to consolidate a portion of the Phase III scope into Phase II. As a result, an alternative was developed to convert the existing Division 21 Storage Building into a Body Repair Shop and provide a replacement storage building at the Division 20 Metro Rail Yard and Shops location.

In December 2008, the Board authorized the Chief Executive Officer to solicit and award design-build contracts for renovation, repair and construction at Metro Rail facilities (Divisions 20/21), as amended by Director Molina, so that there would be no further expansion of Midway Yard other than the conversion of the existing Division 21 Storage Building into a Body Repair Shop.

Metro Rail Operations has worked with an engineering consultant to develop a plan to consolidate the body repair functions into the existing storage building. The plan also allows for the inclusion of a rail car lift system to allow other types of repair to occur in the same building.

#### IMPACTS TO OTHER CONTRACTS

Contract No. C0933 Division 21 Body Repair Shop (CP204053)- A design-bid-build package is being prepared with the Invitation-For-Bids to be advertised in July 2009.

Contract No. C0920 Division 20 Storage Building (CP204053)- Five bids ranging from \$1.2 million to \$1.7 million were received in February 2009 and are being evaluated for award of the contract. Upon award, notice to proceed will be issued to provide a replacement storage building at Division 20.

#### FINANCIAL IMPACTS

The funding of \$9,060,000 has been included in the proposed FY10 budget in Project #204053 Division 21 Improvements, Cost Center 8510. ~~The actual expenditures to date are \$000,000.~~ This action will increase the LOP Budget by \$9 million from \$5.0 million to \$14.0 million. The additional funding for this action will be a combination of federal funds allocated per previous agreement in the Eastside Extension Full Funding Grant Agreement (FFGA) and Local Prop A35% Rail Funds. \$1.5 million has been spent to date for Division 21 - Phase II Improvements.

Since this is a multi-year project, the cost center manager and Chief Capital Management Officer will be accountable for budgeting the costs in future years.

#### ALTERNATIVES CONSIDERED

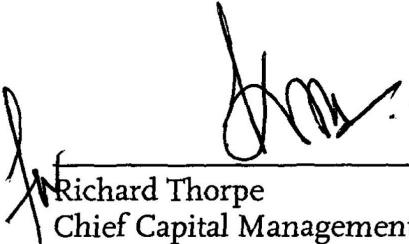
The Board could decide to not approve an increase to the Life-Of-Project budget. However, there is insufficient budget to do the modifications necessary to perform the repair, service and maintenance functions on the 2550 AnsaldoBreda light rail vehicles at the Midway Yard.

Therefore, operating costs would increase, and service and reliability of the vehicles on the Metro Gold Line would be negatively impacted.

ATTACHMENTS

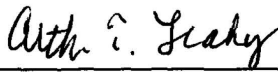
A. Funding/Expenditure Plan

Prepared by: Dennis S. Mori, Executive Officer, Project Management



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Richard Thorpe  
Chief Capital Management Officer



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Arthur Leahy  
Chief Executive Officer

**BOARD REPORT  
ATTACHMENT A**

**Division 21 - Phase II Improvements  
Funding / Expenditure Plan  
(Dollars)**

Capital Project: 204053 - 80% Eastside Project: 800088 - 20%	Prior Years	FY09	FY10	FY11	TOTAL	% of Total
<b>Uses of Funds</b>						
Construction	\$ -	\$ 206,000	\$ 3,243,000	\$ 804,000	\$ 4,253,000	30.6%
Agency Furnished Equipment	\$ -	\$ 245,000	\$ 3,026,000	\$ -	\$ 3,271,000	23.5%
Professional Services	\$ 608,000	\$ 1,673,000	\$ 1,609,000	\$ 815,000	\$ 4,705,000	33.8%
Project Contingency	\$ -	\$ 208,000	\$ 1,182,000	\$ 281,000	\$ 1,671,000	12.0%
<b>Total Project Cost</b>	<b>\$ 608,000</b>	<b>\$ 2,332,000</b>	<b>\$ 9,060,000</b>	<b>\$ 1,900,000</b>	<b>\$ 13,900,000</b>	<b>100%</b>

<b>Sources of Funds</b>						
<b>Original LOP</b>						
State Transit Assistance	\$ 608,000	\$ -	\$ -	\$ -	\$ 608,000	4.4%
Prop A 35% Cash	\$ -	\$ 1,454,090	\$ 1,037,910	\$ 1,900,000	\$ 4,392,000	31.6%
<b>Sub-Total</b>	<b>\$ 608,000</b>	<b>\$ 1,454,090</b>	<b>\$ 1,037,910</b>	<b>\$ 1,900,000</b>	<b>\$ 5,000,000</b>	<b>36.0%</b>
<b>From Eastside Project</b>						
Fed Section 5309 New Start	\$ -	\$ -	\$ 2,224,000	\$ -	\$ 2,224,000	16.0%
Prop A 35% Bond	\$ -	\$ -	\$ 556,000	\$ -	\$ 556,000	4.0%
<b>Additional Fund Required</b>						
Prop A 35% Cash	\$ -	\$ 877,910	\$ 5,242,090	\$ -	\$ 6,120,000	44.0%
<b>Total Project Funding</b>	<b>\$ 608,000</b>	<b>\$ 2,332,000</b>	<b>\$ 9,060,000</b>	<b>\$ 1,900,000</b>	<b>\$ 13,900,000</b>	<b>100%</b>