



Metro

Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.2000 Tel
metro.net

42

**OPERATIONS COMMITTEE
JUNE 21, 2007**

**SUBJECT: EXPO LINE AND METRO BLUE LINE LIGHT RAIL VEHICLE
PROCUREMENT PROJECT / CONTRACT NO. P2550
LIGHT RAIL VEHICLES, OPTION NO. 1**

ACTION: ESTABLISH THE LIFE-OF-PROJECT BUDGET

RECOMMENDATION

Establish a life-of-project (LOP) budget for 50 Expo and Metro Blue Line Light Rail Vehicles (LRV) procurement Option No. 1 to Contract No. P2550 Light Rail Vehicles CP# 206035 in the amount of \$174,500,000.

RATIONALE

Contract No. 2550 Option No. 1 is presently allocated as sixteen LRVs for the Metro Expo Line Phase I and 34 LRVs for the Metro Blue Line rail fleet standardization. These 34 LRVs will be replacing part of the P865 Nippon Sharyo fleet vehicles which would exceed 20 years of life at the time of replacement, crossing its mid-life overhaul span.

The current Metro Blue Line fleet is past both its mid-life and technology-life cycles. Due to the fleet's original design and integration application the current fleets does not possess basic industry configurations that are still available commercially-supported products. The cost involved with refurbishing and upgrading the vehicles to a commercially-supported configuration is approximately equal to the cost of a new 2550 vehicle which is not cost-effective approach.

FINANCIAL IMPACT

This action will establish an LOP budget of \$174,500,000 for Option No. 1 to Contract No. P2550, CP# 206035. Funding for this project has been included in the FY08 proposed Budget for CP# 206035 if Option No. 1 award is approved by a separate Board action in FY08. The funding for the project is a combination of TCRP funds from the Expo Phase I project budget and STIP funds. The cash flow and funding plan has been included as Attachment A.

The Base P2550 Contract has an existing LOP budget of \$191,222,902 approved by the Board on April 24, 2003. Although this current authorization provides a total P2550 budget of \$365,722,902, the two LOPs will be managed separately.

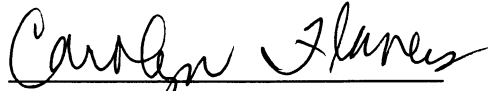
ALTERNATIVES CONSIDERED

The Board of Directors may choose to not authorize the life-of-project budget for this project. This alternative is not recommended by Metro staff, since rejection of the LOP will prohibit the purchase of these additional vehicles essential to the operation of the new Metro Expo Line and the expeditious fleet standardization of the Metro Blue Line fleet necessary to maintain or improve the safety and efficiency of service on the Metro Blue Line.

ATTACHMENTS

A. Capital Project Funding & Expenditure Plan

Prepared by: Larry Kelsey, Contract Administration Manager, Rail Fleet Acquisitions
Suresh Shrivastava, Project Manager
Melvin Clark, Acting General Manager, Rail Operations



Carolyn Flowers
Interim Chief Operations Officer



Roger Snoble
Chief Executive Officer

ATTACHMENT A

EXPO/BLEUE LINE LIGHT RAIL VEHICLE PROCUREMENT – CP 206035

CAPITAL PROJECT FUNDING & EXPENDITURE PLAN

	FY08	FY09	FY10	FY11	TOTAL	% of Total
Uses of Funds						
Acq of Revenue Vehicle	\$ 369,724	\$ 74,400,000	\$ 74,400,000	\$ 5,830,276	\$ 155,000,000	89%
Labor	\$ 727,981	\$ 1,243,188	\$ 1,280,484	\$ 1,154,964	\$ 4,406,617	3%
Contingency	\$ 3,000	\$ 7,545,192	\$ 7,545,191	\$ -	\$ 15,093,383	9%
Total Project Cost	\$ 1,100,705	\$ 83,188,380	\$ 83,225,675	\$ 6,985,240	\$ 174,500,000	100%
Sources of Funds						
TCRP	\$ 1,100,705	\$ 54,739,295			\$ 55,840,000	
STIP		\$ 28,449,085	\$ 83,225,675	\$ 6,985,240	\$ 118,660,000	0%
Total Project Funding	\$ 1,100,705	\$ 83,188,380	\$ 83,225,675	\$ 6,985,240	\$ 174,500,000	