



**Finance, Administration and Oversight Committee**

**Action Item IV-B**

**October 11, 2007**

**Capital Improvement Program Budget  
Reprogramming**

**Washington Metropolitan Area Transportation Authority  
Board Action/Information Summary**

Action  
 Information

MEAD Number:

Resolution:  
 Yes  No

**PURPOSE**

To request Board of Directors approval to: 1) increase the budgets for a small subset of Metro Matters projects in the FY08 Capital Improvement Program (CIP) totaling \$34 million; and 2) reduce the budget for two Metro Matters projects that do not require expenditure of their full budget authority.

**DESCRIPTION**

The Metro Matters budget totals more than \$3.3 billion. To be completed, a small subset of Metro Matters projects will need budget increases of 1 percent or \$34 million. To fund these increases, staff proposes that two project budgets be reduced. A list of the projects is attached to the resolution.

**FUNDING IMPACT**

There is no change to jurisdictional funding levels. The annual Metro Matters budget reconciliation process will account for this action.

**RECOMMENDATION**

Recommend Board of Directors approval to reprogram budget authority between the Metro Matters projects identified on Attachment A of the Board resolution.

PRESENTED AND ADOPTED:

SUBJECT: CAPITAL IMPROVEMENT PROGRAM BUDGET REPROGRAMMING

PROPOSED  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
WASHINGTON METROPOLITAN AREA TRANSPORTATION AUTHORITY

WHEREAS, On June 28, 2007 the Board of Directors approved the FY08 Capital Improvement Program (CIP) totaling \$730.8 million; and

WHEREAS, Metro Matters, a commonly used name for the CIP, has a small subset of projects needing budget increases amounting to 1 percent, or \$34 million, of a \$3.3 billion program; and

WHEREAS, \$37 million in funding for bus garage construction and parking structure rehabilitation can be reduced with no detrimental impact on those projects; now, therefore, be it

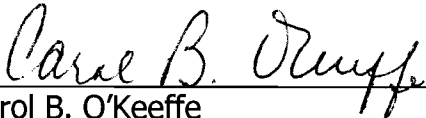
*RESOLVED*, That the Board of Directors authorizes the transfer of budget authority between the Metro Matters projects identified in Attachment (A); and be it further

*RESOLVED*, That the annual Metro Matters Budget reconciliation will account for this action in accordance with Section 6 of the Metro Matters Agreement; and be it further

*RESOLVED*, That a revised FY08 Metro Matters Annual Work Plan document will be transmitted to the local jurisdictions with the draft FY09 Annual Work Plan; and be it finally

*RESOLVED*, That this Resolution will be effective immediately.

Reviewed as to form and legal sufficiency.

  
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Carol B. O'Keeffe  
General Counsel

Attachment A

Capital Improvement Program Budget Reprogramming

**Projects Needing Budget Increases:**

1. Rail Car Rehabilitation	\$ 18
2. Radio Communications System	7
3. Underground Structure Repair	5
4. Fare Collection Clearinghouse	3
5. Electrical Ductbank Relocation	1
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	\$ 34

**Project Budgets that can be Reduced:**

1. West Ox Bus Garage	\$(30) *
2. Parking Garages Rehab	(7)
	<hr/>
	\$(37)

\$ Millions

\* This assumes \$20 million in funds from the sale of the Arlington Bus Garage anticipated to occur in December, 2008. Internal borrowing or use of the commercial paper program will be utilized to manage cash flow issues with no change to jurisdictional contributions.



# Capital Improvement Program (CIP) Budget Reprogramming

*Presented to the Board of Directors:*

**Finance, Administration and Oversight  
Committee**

October 11, 2007



# CIP Reprogramming Action

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## **Metro Matters Capital Budget Contains:**

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- **Five capital projects requiring budget increases totaling \$34 million**
- **Two capital projects that require \$37 million less than their budgets allow**

**A budget reprogramming action is being requested to shift budget authority between these projects**

**The difference of \$3 million will be retained within Metro Matters in accordance with the agreement's budget reconciliation process**



# CIP Reprogramming Action

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## Five projects requiring budget increases:

## Two projects requiring less budget:

### Projects Needing Budget Increases:

1. Rail Car Rehabilitation	\$ 18
2. Radio Communications System	7
3. Underground Structure Repair	5
4. Fare Collection Clearinghouse	3
5. Electrical Ductbank Relocation	1
	<hr/>
	\$ 34

### Project Budgets that can be Reduced:

1. West Ox Bus Garage	\$ (30) *
2. Parking Garages Rehab	(7)
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	\$ (37)

Note: Specific detail for each project is contained in the appendix

\* This assumes \$20M in funds from the sale of the Arlington Bus Garage anticipated to occur in December, 2008. Internal borrowing or use of the commercial paper program will be utilized to manage cash flow issues with no change to jurisdictional contributions.

**\$ Millions**



# CIP Reprogramming Action

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## Recommendation:

1. Authorize \$34 million in capital project budget increases
2. Authorize \$37 million in capital project budget decreases
3. Retain the \$3 million difference within Metro Matters

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## Alternative:

Notify vendors of project shut down

Provide Board with staff report on resulting actions





## Appendix



# Capital Project Budget Increase #1

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## 2000/3000 Series Rail Car Rehabilitation Project

**\$18 Million**

- 364 rail cars (approximately one-third of the entire rail fleet) originally manufactured by Breda are undergoing a mid-life rehabilitation by Alstom
- 266 rail cars have been rebuilt and accepted back into the fleet as of August 2007
- The project budget was \$382 million
- \$18 million increase is needed to pay for negotiated change-orders, delay claim and other costs associated with the delay to finish the program
- The project was originally expected to complete in December 2005  
The current completion date is between March and August of 2008
- Delays have resulted from:
  - Problems with procuring rail car trucks (resolved)
  - Quality problems resulting in incorrect wheel profiles (corrected)
  - Modifications to automatic train control (ATC) and brake components (completed)
  - Unacceptable performance of rebuilt brake units and air compressors (corrected)
  - Earlier difficulties in meeting production quotas (now on schedule)



## Capital Project Budget Increase #2

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### Radio Communication Equipment

**\$7 Million**

- To replace rather than rehabilitate radios in existing rail fleet
- Comprehensive Radio Communication System contract called for Motorola to rehabilitate railcar communication control panels and install mobile radios in all but 6000 Series Rail Cars
- During this work it was determined there were field modifications in rail cars which made the rehabilitation very complicated
- Metro agreed to replace the communication panels rather than complete the planned rehabilitation
- Motorola, in turn, agreed to delete the rehab work from its contract and provide credit for the original rehabilitation costs included in the negotiated proposal



# Capital Project Budget Increase #3

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## Underground Station Structure Rehabilitation

**\$5 Million**

- Repair is essential to ensure the overall safety and longevity of the concrete structures
- The original station and platform concrete structures were constructed prior to 1985. Normal deterioration of these structures has caused cracks, leaks and spalls
- The majority of work will be performed on the station domes and at the platform overhang edge
- This funding will provide for the rehabilitation of the station vaults at five underground stations on the Red Line (Farragut North, Metro Center, Gallery Place, Judiciary Square and Union Station)



# Capital Project Budget Increase #4

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## Regional Clearinghouse

**\$3 Million**

- Regional partnership between Metro, the Maryland Transit Administration, and local transit agencies in Maryland and Northern Virginia
- Project goals:
  - Allow for the use of SmarTrip cards across all regional transit agencies
  - Centralize customer service and card management
  - Establish a central data-processing system for all member agencies
  - Allow member agencies to participate in centralized clearing and settlement
  - Establish a network of point-of-sale devices for the cards throughout the region
- Regional clearinghouse is part of Metro's comprehensive program to upgrade its automatic fare collection (AFC) systems, including:
  - Upgrade Metro's near-obsolete rail AFC system software
  - Extend SmarTrip acceptance to Metrobus and regional bus operators
  - Improve system software capacity and flexibility
- \$3 million will pay for additional cost associated with resolving technical problems, change orders and delays that have arisen from complex integration of the various systems



## Capital Project Budget Increase #5

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### Electrical Ductbank Relocation

**\$1 Million**

During construction of the Metrorail system numerous agreements were formed with entities allowing electrical equipment to be installed on non-Metro property

A 1986 agreement with Dominion-Virginia power allows for them to direct the relocation of Metro electrical supply facilities on their side of the meter and to be reimbursed for that cost

An electrical ductbank needed to be relocated due to bridge reconstruction work on the George Washington Parkway

Dominion-Virginia Power must now be reimbursed for that work



# Capital Project Budget Decrease #1

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**West Ox Bus Garage**

**\$30 Million**

**Metro Matters included a budget of \$49 million for a new bus garage in Northern Virginia**

**Subsequently, agreements were reached for Metrobus to use Fairfax County's West Ox bus facility and for the sale of the Arlington bus garage**

**The financial result of these agreements allows for a budget reduction of \$30 million for garage replacements in the Metro Matters capital budget**

**At the FY2010 completion of Metro Matters the Bus program element is expected to not require these funds, therefore these funds are being transferred to the IRP program element**



## Capital Project Budget Decrease #2

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**Parking Garage Rehabilitation**

**\$7 Million**

Rehabilitation of some parking structures is included in the Metro Matters capital budget

Due to favorable bids on this work the budget for this rehabilitation work can be reduced with no reduction in scope