FY2013 Capital Budget Overview

- Parameters and priorities used to develop the FY2013 Capital Budget
- Highlights of the capital projects and programs proposed for funding in FY2013
- Summary of the grants and revenue sources proposed to fund the FY2013 Capital Budget
Parameters and Priorities:

- In light of fiscal challenges, advance the most critical capital projects in order not to degrade service.
- Sustains District’s existing service and infrastructure network, including the necessary replacement of revenue vehicles and other capital assets.
- Ensures operating and maintenance facilities are maintained in a state of good repair.
- Invests in facility and equipment improvements to provide a safe and secure environment for patrons and employees.
• The goals of the Strategic Plan are tied to Key Initiatives developed through an Implementation Plan
• The Implementation Plan is subject to annual review
• The proposed budget includes appropriate resources to support the Key Initiatives for FY2013
Proposed projects that support the Key Initiatives, include:

- PeopleSoft Upgrade
- SamTrans Service Plan
- Daly City TOD
- District TOD Policy
- Safety Improvements
Revenue Vehicles Replacement:

$31.4 million budgeted

• Replace 1998 Gillig Phantom buses (62) and 2009 El Dorado Amerivans (14); vehicles are at the end of their useful lives

Revenue Vehicles Support:

$0.9 million budgeted

• Procure bus parts, engines and transmissions
• Procure replacement support vehicles
Category Highlights

Information Technology:
$5.0 million budgeted

- Replace and upgrade information technology equipment, servers and software applications to maintain connectivity of various departments and external communications
- Funding for the PeopleSoft Systems Integration Project/Business Optimization Program and the customization of PeopleSoft software to continue interface with Spear and Hastus
Development:
$1.2 million budgeted
• Continuing work on the SamTrans Service Plan to evaluate the District’s suite of transportation services
• Develop a transit-oriented policy to guide the District’s activities related to transit-oriented and joint development
• Develop, support and monitor the District’s capital program
Category Highlights

**Facilities:**
$0.4$ million budgeted
- Facility improvement and rehabilitation of the District’s maintenance and administrative facilities designed to support revenue service operations

**Safety and Security:**
$2.0$ million budgeted
- Security improvements to maintain a safe and secure environment for transit operations and customers
Funding Summary

Proposed Budget by Category
Total Budget: $41.2 million

- Revenue Vehicle Replacement, $31.4m, 76.2%
- Revenue Vehicle Support, $0.9m, 2.2%
- Information Technology, $5.0m, 12.1%
- Development, $1.2m, 2.9%
- Facilities, $0.4m, 1.0%
- Contingency, $0.3m, 0.7%
- Safety & Security, $2.0m, 4.9%
## Funding Source by Category

<table>
<thead>
<tr>
<th>Funding Category</th>
<th>$ Amount</th>
<th>% Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>$23.4 million</td>
<td>56.8%</td>
</tr>
<tr>
<td>State</td>
<td>$7.1 million</td>
<td>17.2%</td>
</tr>
<tr>
<td>Other</td>
<td>$1.8 million</td>
<td>4.4%</td>
</tr>
<tr>
<td>District Sales Tax</td>
<td>$8.9 million</td>
<td>21.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$41.2 million</strong></td>
<td><strong>100.0%</strong></td>
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</tbody>
</table>
District Sales Tax Contribution
(in millions)
Preliminary FY2013 Capital Budget

Board of Directors
May 9, 2012
Business Optimization Program
Status Update

Board of Directors
May 9, 2012
BOP – Project Overview

• Re-implementation of PeopleSoft Applications with Strong Emphasis on
  - Cradle-to-Grave Business Process Re-engineering
  - Upfront Prototyping of Key Transactions
  - Change Management
  - Professional Training
BOP – Project Overview

- Functional Areas in Scope
  - Finance and Accounting
  - Contracts and Procurement
  - Project Costing, Grants and Capital Finance
  - Human Resource
  - Payroll and Time Reporting
  - Planning and Budgeting
Current Status

• Contract Awarded to Wipro, Inc. on 1/12/11
  - Notice To Proceed Issued for 2/17/11

• Phase 1 Completed in December 2011
  - Demonstrated Conceptual Design (Prototype)
  - Developed Organization Change Management (OCM) Plan, Training Plan and Deployment Plan
  - Deployment Plan yielded “All-in-One” approach
  - Phase 2a – Design and Build
  - Phase 2b – Test, Train, Deliver and 90 days warranty support
Current Status

• Phase 2a is in progress
  - Design and build of the proposed solution
  - Development of training course outlines
  - Change impact assessment for all modules

• Project baseline schedule for Phase 2b in development
  - Schedule to be approved and included in Option1, Phase 2b of the project
Hardware Support Services

• Wipro to provide hardware support services for the duration of the BOP project

• Scope includes
  - Data center, servers, operating systems, databases, backup & recovery and monitoring systems & tools

• Total cost is $535,364

• Staff recommends amending the contract to include hardware support services for the BOP project
# Financial Update

<table>
<thead>
<tr>
<th>Amount Approved and Funded</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Value of Contract Awarded to Wipro, Inc.</td>
<td>($6.1M)</td>
</tr>
<tr>
<td>Project Soft Costs Incurred (approx.)</td>
<td>($3.0M)</td>
</tr>
<tr>
<td>Total Uncommitted Funds (approx.)</td>
<td>($5.1M)</td>
</tr>
</tbody>
</table>

| Recommended FY2013 Capital Budget *                           | $4,137,112 |
| Recommended FY2013 Operating Budget **                        | $535,364   |

Total Funded Budget After Amendment - $18,872,476

* Funds are required to award Phase 2b, extend legacy system support for FY2013, soft costs for the remainder of the project

** Funds are required to amend contract to include hardware support services for the BOP project
Recommended June Action Items

• Authorize an increase in the total contract value by $1,829,332

<table>
<thead>
<tr>
<th>Cost Item</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legacy system support for FY2012 and FY2013</td>
<td>$425,040</td>
</tr>
<tr>
<td>Increase in contract scope for Phase 2a and 2b (training, organization change management and parallel testing)</td>
<td>$868,928</td>
</tr>
<tr>
<td>Hardware support services for the BOP project</td>
<td>$535,364</td>
</tr>
</tbody>
</table>

• Authorize GM/CEO to:
  - Exercise Option 1, Phase 2b (test, train, deliver and 90-day warranty) for $4,293,081
  - Extend legacy application support and data cleansing services for FY2013 for $212,520
  - Amend contract to include hardware support services for the BOP project for $535,364