Preliminary FY2013 Capital Budget

Board of Directors

May 9, 2012

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

Strategic Plan

- **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**

Strategic Plan

Proposed projects that support the Key Initiatives, include:

- PeopleSoft Upgrade
- SamTrans Service Plan
- Daly City TOD
- District TOD Policy
- Safety Improvements

Category Highlights

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

Category Highlights

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
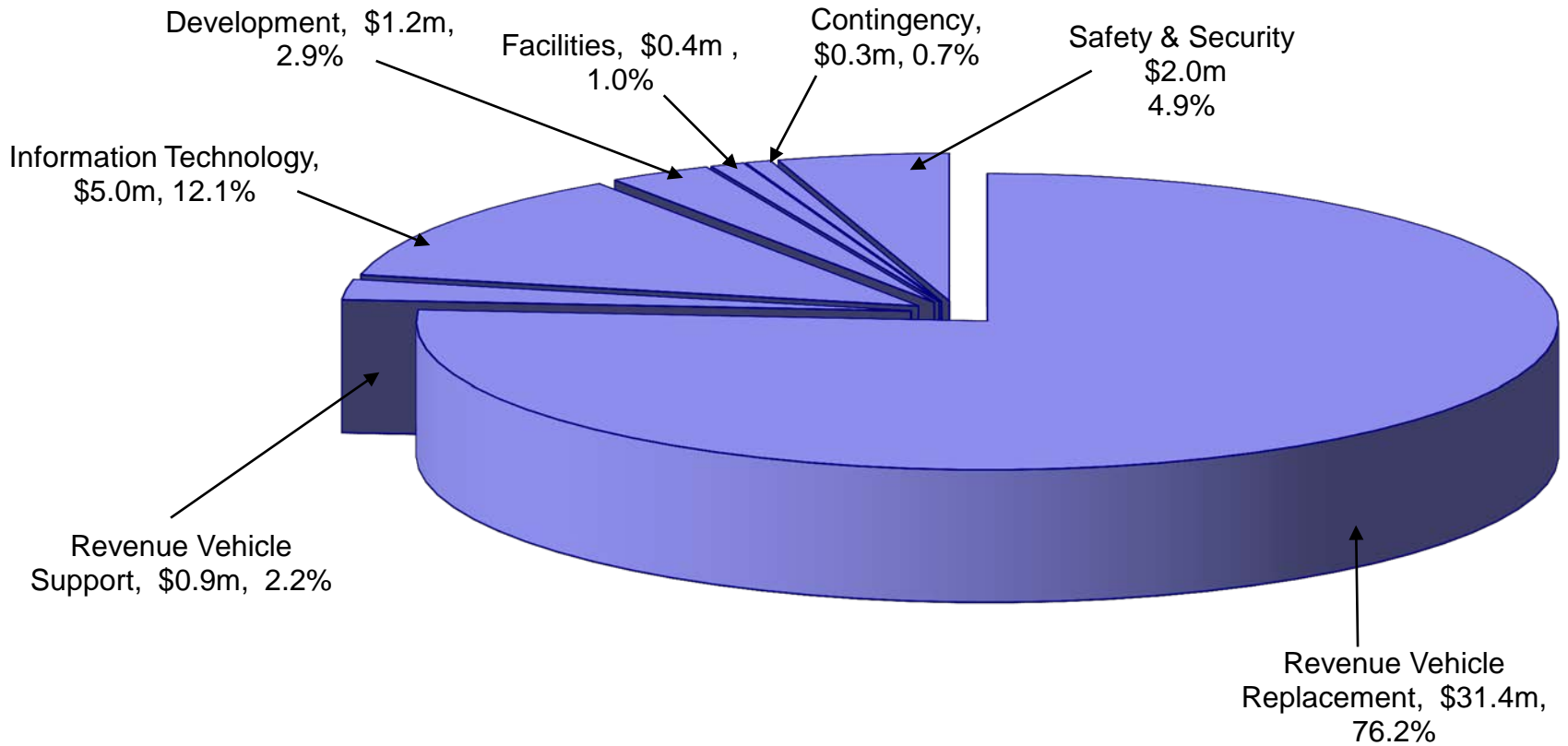
Facilities:

$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

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

Funding Summary

Funding Source by Category

Funding Category	$ Amount	% Share
Federal	$23.4 million	56.8%
State	$7.1 million	17.2%
Other	$1.8 million	4.4%
District Sales Tax	$8.9 million	21.6%
Total	**$41.2 million**	100.0%

Funding Summary

District Sales Tax Contribution
(in millions)
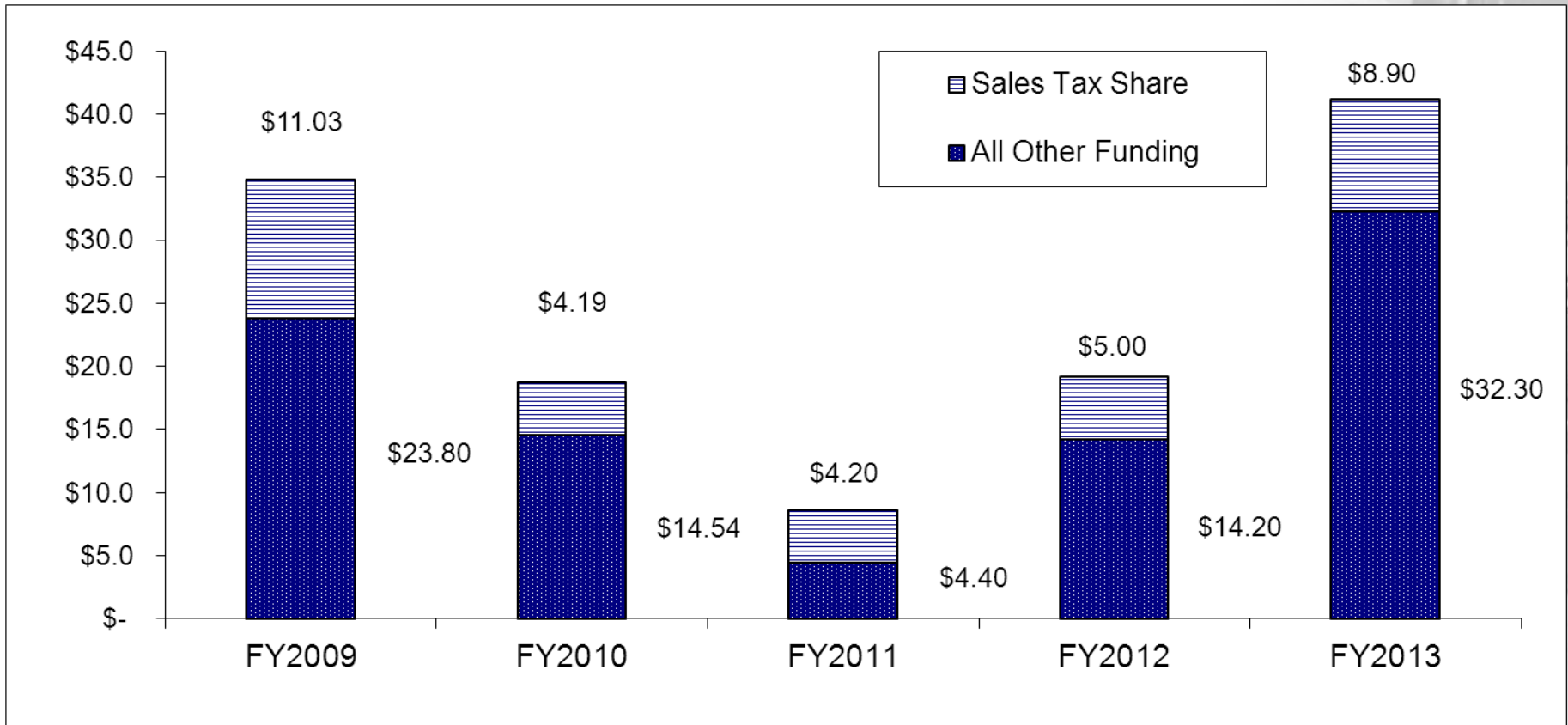
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Business Optimization Program Status Update

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

Amount Approved and Funded		**$14,200,000**
Value of Contract Awarded to Wipro, Inc.	($6.1M)	
Project Soft Costs Incurred (approx.)	($3.0M)	
Total Uncommitted Funds (approx.)	($5.1M)	
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**

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

- **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**