Memorandum

MIAMI-DADE COUNTY

May 12, 2010
TIR
Agenda Item No. 7D

Date: APR 05 2010

To: Honorable Barbara J. Jordan
County Commissioner

From: George M. Burgess
County Manager

Subject: Feasibility Report – Miami-Dade Transit Operation and Maintenance of the MIC-MIA Automated People Mover System

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This report responds to Resolution No. R-870-09 requesting a report on the feasibility of Miami-Dade Transit (MDT) operating and maintaining the Miami Intermodal Center-Miami International Airport (MIC-MIA) Automated People Mover (APM).

Since MIA has an existing contract that includes funding for operating and maintenance of the APM system for 15 years—with the first five years contractually obligated—MDT's analysis, which is preliminary, only looks at years six through fifteen. Historical system usage and other data on the APM vehicle operating requirements would need to be obtained to get an accurate and full picture of all costs.

Using operating and maintenance assumptions from the existing Metromover system, MDT was able to estimate that its cost to operate and maintain the MIC-MIA APM is comparable to that of the selected contractor's costs for years six through fifteen (Tables 1A and 2).

MIC- MIA Automated People Mover

The MIC-MIA project consists of the design, construction, operations and maintenance (O&M) of an elevated APM system. The system will provide a convenient and reliable means for transporting passengers between MIA and the MIC. The main focus of the MIC is to incorporate extensions of existing rail transit and commuter rail (including Amtrak, Tri-Rail, and Metrorail) as well as intercity bus service and additional Metrobus service, and to consolidate car rental agencies, courtesy vans and limousines into one central facility. The MIC is being constructed by the Florida Department of Transportation (FDOT).

The construction of the $342 million MIC-MIA APM has operating costs totaling $82,836,782 and was awarded to Parsons-Odebrecht Joint Venture (POJV) in 2008 (Resolution No. R-735-08). The operating costs for the APM system is for fifteen years which includes an initial five year period, with owner options to extend it in two 5-year periods, for an additional 10 years.

In 2007, MDT and the Miami-Dade Aviation Department (MDAD) entered into an interdepartmental agreement for MDT to provide maintenance and limited inspection of the airport's existing People Mover guideway structure. The express purpose of the 12-month agreement was to ensure the guideway is maintained in a condition to guarantee safe passenger service and to sustain the bridge's rating. This agreement, which was executed by both departments in October 2007, has automatic, unlimited annual renewals until both parties agree to terminate; it has been renewed every year. MDT continues to provide the services at a cost of approximately $700,000 annually. Therefore, POJV's costs detailed in Tables 1 and 1A do not include maintenance and inspection for the existing guideway structure. It is the intention of both departments to continue this arrangement and re-negotiate the original agreement to include the MIC-MIA APM as part of a revised 2007 agreement shortly before the MIC-MIA APM is brought online.

The overall cost in Table 1A does not include the first five years of the contractor's costs, which are contractually obligated.

Cost Table 1 – Contractor Costs (Years 1-5 Contractually Obligated)

Year	O&M*	Insurance	Economic Price Adjustment	General Allowance	Inspector General	Total
1 - 5	$15,361,795	$3,152,073	$2,879,733	$1,576,036	$39,401	$23,009,038

Cost Table 1A – Contractor Costs (Years 6-15)

6 - 10	$16,346,500	$3,152,073	$6,120,267	$1,576,037	$39,401	$27,234,278
11 - 15	$15,637,800	$3,152,074	$11,992,808	$1,576,037	$39,401	$32,398,120
TOTAL	$47,346,095	$9,456,220	$20,992,808	$4,728,110	$118,203	$59,632,398

*Training costs of $64,995 are included in Years 1 – 5 O&M cost.

Cost Table 2 – MDT Costs (Years 6-15)

Year	O&M*	Insurance	Economic Price Adjustment	Contingency/ General Allowance	Start Up Costs	Total
6 - 10	$16,133,275	$2,355,000	$6,120,267	$1,576,037	$1,613,328	$27,797,907
11 - 15	$16,133,275	$2,355,000	$11,992,808	$1,576,037	---	$32,057,120
TOTAL	$32,266,550	$4,710,000	$18,113,075	$3,152,074	$1,613,328	$59,855,027

*Training costs of $77,000 are included in Years 6 – 10 O&M cost.

MDT Estimate for Providing Operations & Maintenance for the MIC- MIA Automated People Mover
Based on an analysis of the approved contract and terms, Table 2 reflects MDT's estimate of the costs associated with providing an equivalent scope of work as that of the contractor, which would commence after the first five years of contractually obligated service provided by POJV. These costs are based on MDT's current operation of the Metromover system. At the end of the first five years of O&M by POJV, MDT will be better able to evaluate the actual costs, and revise, if necessary, the estimates delineated in Table 2.

The analysis for Table 2 was based on the following assumptions: POJV will operate and maintain the APM for the first five years; the economic price adjustment amount is identical to the one provided to the contractor and grows at approximately 4 percent per year; the contingency/general allowance amount is included for any unforeseen expenses; start-up costs, estimated at $1,613,328, are included and would involve having all required staff on board six months prior to start-up and would include approximately 29 staff in the following classifications: engineer, chief supervisor, shift supervisors, rail traffic controllers, and technicians.

MDT Recommended Option for Oversight of APM System
Similar to what MDT currently provides for the existing E-Concourse APM or "E" Trains, and based on the Metromover model, MDT proposes to oversee O&M of the MIC-MIA APM utilizing MIA employees. In October 2009, MDT and MIA entered into an agreement which provides for oversight of operations and maintenance of the existing E-Concourse APM utilizing MIA employees. This memorandum of understanding (MOU) calls for the provision of two full-time staff (production coordinator and clerk) to provide 24-hour, seven-day oversight of the MIA "E" Trains' O&M, including preventive maintenance. The MOU is for 2009 through 2014, and the budget for the current year is approximately $570,000. If a decision is made for MDT to provide the same type of oversight service to MIA for the MIC-MIA APM, additional costs analysis would have to be performed.

Conclusion

If a decision is made for MDT to operate and maintain the system from years six through fifteen, the preliminary estimates in Tables 1A and 2 indicate that MDT's cost would be higher by approximately $222,629. Given the experience that MDT has in operating the downtown Metromover system and the foregoing analysis, it is certainly feasible for MDT to operate and maintain the MIC-MIA APM; however, such action is not recommended until after a thorough analysis of concrete data is extrapolated from the actual service.

c: Honorable Carlos Alvarez, Mayor
Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners
Ysela Llort, Assistant County Manager
Jennifer Glazer-Moon, Special Assistant/Director, Office of Strategic Business Management
Jose Abreu, Director, Aviation Department
Harpal Kapoor, Director, Miami-Dade Transit
Charles Anderson, Commission Auditor