

MOTION NO. M2011-61**Ratification of CEO Action to Execute Contract to Purchase Sounder Locomotives**

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Board	07/28/2011	Final Action	Joni Earl, Chief Executive Officer

PROPOSED ACTION

Ratifies the chief executive officer's execution of a contract with MotivePower, Inc. to purchase three locomotives in the amount of \$14,662,632, with a 5% contingency of \$733,132, for a total authorized contract amount not to exceed \$15,395,764.

EXPLANATION OF PROPOSED ACTION

On June 16, 2011, the Operations and Administration Committee unanimously approved Motion No. M2011-47 with a do-pass recommendation to the Board. The motion authorizes the CEO to execute a contract with MotivePower, Inc. for the purchase of Sounder locomotives. Three locomotives are needed to cover spares ratios during the existing fleet overhaul and ST2 service expansion requirements.

The motion was placed on the June 26, 2011 Board Meeting Consent Agenda, however the meeting was later cancelled for lack of a quorum. MotivePower advised Sound Transit that pricing would increase on July 1, 2011 under the terms of the pricing schedule it had negotiated with the manufacturer of the locomotives. To avoid the price increase, the contract had to be signed by June 30, 2011. The staff report for Motion No. M2001-47 is attached for information.

When insufficient time exists to obtain Board approval, the Board's Operating Rules and Procedures adopted in Resolution 1-1 (Amended) and the contracting authority delegated to the chief executive officer in Resolution 78-1, authorize the chief executive officer to find that a financial emergency exists, and to execute contracts for the purchase of equipment necessary to prevent a financial loss to the agency. Because the conditions required by Resolutions 1-1 and 78-1 to authorize the chief executive officer to sign the contract to purchase the locomotives were satisfied, the chief executive officer executed the contract.

Resolution 78-1 requires Board ratification of the CEO's finding of an emergency and execution of the contract.

LEGAL REVIEW

JW 7/25/11



MOTION NO. M2011-47
Contract for Purchasing Three Sounder Locomotives

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Operations and Administration Committee	06/16/2011	Recommendation to Board	Bonnie Todd, Executive Director of Operations	206-398-5367
Board	06/23/2011	Final Action	Brian Freerks, Commuter Rail Mechanical Superintendent	206-689-4987

PROPOSED ACTION

Authorizes the chief executive officer to execute a contract with MotivePower, Inc. to purchase three locomotives in the amount of \$14,662,632, with a 5% contingency of \$733,132, for a total authorized contract amount not to exceed \$15,395,764.

KEY FEATURES

- This contract is based upon the options to purchase locomotives that the San Joaquin Regional Rail Commission (SJRRRC) assigned to Sound Transit.
- Three locomotives are needed to cover spares ratios during the existing fleet overhaul and ST2 service expansion requirements.
- Production will begin in September 2011 and delivery will be in early June 2012. The delivery timeframe will ensure that we meet the ST2 schedule.
- Federal funds are not being used for this procurement.
- Motive Power's parent company, Westinghouse Air Brake Technologies Corporation, will provide a parent company guarantee in lieu of a performance bond.

PROJECT DESCRIPTION

Sounder provides commuter rail service between Everett and Seattle (Sounder North) and between Tacoma and Seattle (Sounder South). Sounder South service began in 2000 and Sounder North service began in 2003. Nine round trips serve Sounder South and four round trips serve Sounder North. With track and signal improvements between Tacoma and Lakewood scheduled for completion in 2012, the current Sounder South service will extend from Seattle to Lakewood.

FISCAL INFORMATION

Summary for Board Action (Year of Expenditure \$000)

Project: 755 - Sounder Fleet Expansion

	Adopted 2011 Lifetime Budget ¹ A	Committed To Date ² B	This Action C	Total Committed & Action D	Remaining Budget E
Agency Administration	\$ -	\$ -	\$ -	\$ -	\$ -
Preliminary Engineering	\$ 760	\$ -	\$ -	\$ -	\$ 760
Final Design	\$ -	\$ -	\$ -	\$ -	\$ -
Right of Way	\$ -	\$ -	\$ -	\$ -	\$ -
Construction		\$ -	\$ -	\$ -	\$ -
Vehicles	\$ 14,786	\$ -	\$ 15,396	\$ 15,396	\$ (610)
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -
Total Current Budget	\$ 15,546	\$ -	\$ 15,396	\$ 15,396	\$ 150

Phase Budget Detail

Vehicles	\$ 14,786	\$ -	\$ -	\$ 15,396	\$ (610)
Total Phase	\$ 14,786	\$ -	\$ -	\$ 15,396	\$ (610)

Contract Budget	Current Approved Contract Value F	Spent to Date G	Proposed Action H	Proposed Total Contract Value I
Motive Power	\$ -	\$ -	\$ 14,663	\$ 14,663
Contingency	\$ -	\$ -	\$ 733	\$ 733
Total	\$ -	\$ -	\$ 15,396	\$ 15,396
Percent Contingency	0%	\$ -	5%	5%

Budget Shortfall

Level	Shortfall Amt J	Potential Funds K	Funding Source (L)
Vehicles	\$ (610)	\$ 610	Preliminary Engineering
Total	\$ (610)	\$ 610	

¹ Project budget is located on page 149 of the Adopted 2011 Transit Improvement Plan. The shortfall in vehicle phase is covered by the budget in preliminary engineering phase. The total costs of the proposed action are within the lifetime budget.

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

EQUAL EMPLOYMENT WORKFORCE PROFILE

460 employees; 12% women; 10% minorities.

BACKGROUND

The three locomotives will be added to the Sounder fleet of 11 locomotives, 40 coaches, and 18 cab cars. All vehicles are maintained by Amtrak. The new locomotives will fulfill spares ratio needs as Sounder conducts a 12-year overhaul on the existing locomotive fleet beginning in 2012. The

engines in the new locomotives are a similar make to current engines, which meet EPA emissions standards. The new locomotives will also fulfill ST2 service expansion requirements beginning in 2013.

Service expansion on Sounder South will begin in 2013 with the addition of one peak direction trip, increasing daily round trip service from nine to ten. In 2016, one peak direction round trip and one reverse direction round trip will be added. One additional round trip will be added in 2017, completing the ST2 Sounder service expansion.

Sound Transit has evaluated other options, such as initiating its own competitive bid and partnering with other agencies, however none of these options would be suitable for meeting our product configuration or production/delivery schedule needs. MPI's price compares favorably in Sound Transit's cost/price analysis.

ENVIRONMENTAL COMPLIANCE

This purchase complies with current federal regulations requiring Tier 3 emissions standards for newly built locomotives. Tier 3 emissions standards will apply from 2012 to 2014 for newly built locomotives. The Tier 3 standard will apply to the existing engines for the duration of their useful life.

SSK 5-09-11

PRIOR BOARD/COMMITTEE ACTIONS

Resolution No. R2010-06 – Amending the Adopted 2010 Lifetime Capital Budget to create a new capital project for Sounder ST2 Fleet Procurement in the amount of \$15,546,000 and to transfer \$2,000,000 into the vehicle phase of the Adopted 2010 Annual Capital Budget.

TIME CONSTRAINTS

A one month delay would not create a significant impact to the project schedule.

PUBLIC INVOLVEMENT

Not applicable to this action.

LEGAL REVIEW

JW 6/10/11