



Motion No. M2020-66

Agreement Extension for BNSF Operation of Sounder Northline

Meeting:	Date:	Type of action:	Staff contact:
Rider Experience & Operations Committee	11/05/2020	Recommend to Board	Suraj Shetty, Executive Director, Operations
Board	11/19/2020	Final action	Robin Braziel, Director of Bus, Commuter Rail and Paratransit Martin Young, Sounder Operations Manager

Proposed action

Authorizes the chief executive officer to execute an amendment to the commuter rail service agreement with BNSF Railway Company extending operation of Sounder north-line service by 10 years and adding two five-year options to extend in an amount not to exceed \$37,958,689 for a new total authorized amount not to exceed \$90,904,587.

Key features summary

- This agreement provides for continued operation of up four round trips of Sounder commuter service between Everett and Seattle.
- BNSF will continue to provide train crews, dispatching, and operations administration as is currently provided.
- BNSF is paid per train mile and are also provided incentive payments for on time performance.
 - Rates for reimbursement are unchanged from the original 2003 agreement, other than cost adjustments through agreed upon indices for inflation.
- This action would extend the agreement by 10 years and add two additional five-year options.

Background

Sound Transit first entered into an agreement with BNSF for commuter rail service between Everett and Seattle in 2003 through Motion No. M2003-130 and Motion No. M2003-131. This agreement was a sole source procurement based on BNSF's unique ability to provide access to a railroad useful for commuter service, and their desire to operate that service.

The agreement provided for a 12-year base period and a five-year option, exercised in which terminates in December 2020. The new 10-year option terminates in December 2030. If exercised, the two five-year options would bring the final term of the Sounder north-line in line with the independent and separate south-line BNSF agreement, which also terminates in 2040.

The 2003 Sound Transit-BNSF Joint Use Agreement (approved by the Board through Resolution No. R2003-22) provides Sound Transit with four perpetual easements for commuter rail service access to this rail corridor independent of who operates the service. This Service Agreement makes the arrangements for BNSF to supply the crews that operate the subject commuter trains.

In addition to the four daily round trips for commuter service, BNSF supports Sounder special event service on weekends to Seahawk, Mariners and Sounders FC sporting events.

North-line crewmembers report to an operational facility in Everett owned by Sound Transit. BNSF provides computer and communications equipment in support of the service in the Everett facility. As part of the agreement BNSF also performs federally required training and testing of crewmembers and participates in regular operational meetings related to Sounder service, including safety meetings, monthly performance review meetings and quarterly on-time performance review meetings.

Fiscal information

This action will amend the current contract by \$37,958,389, including taxes of \$1,628,101 for a new total authorized contract amount not to exceed \$90,904,587 (includes taxes for the new contract of \$3,899,023) and will be funded from the Purchased Transportation category within the Operations department's 2021 annual operating budget.

Pending the approval of the 2021 Financial Plan & Proposed Budget, the proposed Purchased Transportation category budget is \$191,177,043, of which a total of \$1,896,935, is estimated to be spent from this action in 2021 and is currently within the agency's budget authority. After approval of this action, the remaining annual budget will be used to fund other department expenditures anticipated in the 2021 annual budget.

Funding for the additional years of the contract will be included in future annual budget requests.

Operations (in thousands)					
Cost Category	2021 Annual Operating Budget ¹	YTD Actuals	This Action (2021 Only)	YTD Actuals Plus Action (2021 Only)	Remaining Annual Operating Budget
Salaries and Benefits	\$32,804			\$	\$32,804
Services	46,117			\$	46,117
Materials and Supplies	11,583			\$	11,583
Utilities	7,732			\$	7,732
Taxes	2,203			\$	2,203
Purchased Transportation Services	191,177		1,897	1,897	189,280
Miscellaneous	331			\$	331
Leases and Rentals	2,497			\$	2,497
Total Annual Operating Budget	\$294,444		\$1,897	\$1,897	\$292,547

Contract Spending Plan	Estimated Spending to Date ²	Forecasted for 2021	Proposed Future Spending	Total
BNSF	\$51,996	\$1,897	\$37,012	\$90,905

Contract Detail	Board Approved Contract Value	Proposed Action	Proposed Total for Board Approval
BNSF	\$50,675	\$36,331	\$87,006
Estimated Taxes	2,271	1,628	3,899
Contract Amount - Total	\$52,946	\$37,959	\$90,905

Notes:

¹ 2021 Annual Operating Budget is located on page 48 of the 2021 Financial Plan & Proposed Budget.

² Estimated spending to date as of December 31, 2020.

Disadvantaged and small business participation

Not applicable to this action.

Public involvement

Not applicable to this action.

Time constraints

A one month delay would significantly impact Sounder operations, given that the current north line service agreement with BNSF expires on December 16, 2020.

Prior Board/Committee actions

Motion No. M2016-54: Authorized the chief executive officer to execute amendments to the Commuter Rail Service Agreement (Seattle to Nisqually), the Joint Use Agreement (Seattle to Tacoma), the Commuter Rail North Service Agreement, and the Joint Use Agreement (Everett to Seattle), all with the BNSF Railway Company, to adjust insurance provisions to reflect the passenger rail liability cap increase under federal law.

Motion No. M2015-105: Authorized the chief executive officer to execute an amendment to the Commuter Rail North Service Agreement including exercising a five-year term extension option with the BNSF Railway Company for the continued operation of Sounder north line service between Everett and Seattle in the amount of \$17,836,712, for a total authorized agreement amount not to exceed \$52,945,898.

Motion No. M2007-99: Authorized the chief executive officer to execute amendments to the BNSF Railway Company Joint Use Agreement and Sounder commuter rail North Service Agreement for the Everett-Seattle corridor to permit a third round trip on September 24, 2007 and a fourth round trip on August 18, 2008.

Resolution No. R2003-22: Authorized the Chief Executive Officer to execute a Purchase and Sale Agreement between the Central Puget Sound Regional Transit Authority and the Burlington Northern Santa Fe Railway Company for the purchase of real property interests required for Everett to Seattle Commuter Rail Service.

Motion No. M2003-131: Authorized the Chief Executive Officer to execute a Commuter Rail Service Agreement between the Central Puget Sound Regional Transit Authority and the Burlington Northern Santa Fe Railway Company for Everett to Seattle Commuter Rail Services.

Motion No. M2003-130: Authorized the Chief Executive Officer to execute a Joint Use Agreement between the Central Puget Sound Regional Transit Authority and the Burlington Northern Santa Fe Railway Company for Everett to Seattle Commuter Rail Easements.

Environmental review – KH 10/20/20

Legal review – JW 10/30/20



Motion No. M2020-66

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute an amendment to the commuter rail service agreement with BNSF Railway Company extending operation of Sounder north-line service by 10 years and adding two five-year options to extend in an amount not to exceed \$37,958,689 for a new total authorized amount not to exceed \$90,904,587.

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Motion

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute an amendment to the commuter rail service agreement with BNSF Railway Company extending operation of Sounder north-line service by 10 years and adding two five-year options to extend in an amount not to exceed \$37,958,689 for a new total authorized amount not to exceed \$90,904,587.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on _____.

Kent Keel
Board Chair

Attest:

Kathryn Flores
Board Administrator