

**SOUND TRANSIT  
STAFF REPORT**

**MOTION NO. M2005-72**

**Contract for remanufactured parts for Sound Transit 60-foot bus fleet**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Finance Committee	8/18/05	Discussion/Possible Action	Marty Minkoff, Director, Transportation Services <b>Fred Chun, Project Manager, Transportation Services</b>	(206) 398-5111  (206) 398-5044

<b>Contract/Agreement Type:</b>	<input checked="" type="checkbox"/>	<b>Requested Action:</b>	<input checked="" type="checkbox"/>
Competitive Procurement	<input checked="" type="checkbox"/>	Execute New Contract/Agreement	<input checked="" type="checkbox"/>
Sole Source	<input type="checkbox"/>	Amend Existing Contract/Agreement	<input type="checkbox"/>
Agreement with Other Jurisdiction(s)	<input type="checkbox"/>	Budget Amendment	<input type="checkbox"/>

**PROPOSED ACTION**

Authorizes the Chief Executive Officer to execute a contract with Pacific Power Products to supply remanufactured engines and transmissions for Sound Transit's 60' bus fleet in the amount of \$1,092,787, with a 5% contingency of \$54,640, for a total authorized amount not to exceed \$1,147,427.

**KEY FEATURES of PROPOSED ACTION**

- This action provides for a one-time project needed to lower the maintenance costs and increase the reliability of Sound Transit's 60-foot buses purchased in 1999 and 2001.
- Upon approval of the proposed action, Pacific Power Products will begin the delivery the remanufactured engines and transmissions fourth quarter of this year through the end of 2006.
- These components are built with original manufacturers' parts and tested for performance.
- The engines and transmissions will have improved and updated parts installed by transit partner's vehicle maintenance staff.
- Provides a five-year warranty on engines and one-year on transmissions. The engine warranties provide coverage through the remaining life of the buses.

**BUDGET IMPACT SUMMARY**

The proposed action would authorize the execution of a contract with Pacific Power Products to supply remanufactured engines for the 60-foot articulated bus fleet purchased in 1999 and 2001. This item has been budgeted for in the Adopted 2005 Budget in the Transportation Services capital budget in the Bus Acquisition program. The program funds the acquisition, start-up and capital maintenance needs of the ST Express bus fleet. The program has a total approved budget of \$105.9 million, of which \$89.8 million has been expended to date.

Associated with this transaction, there would be a corresponding non-cash charge to the expense budget for ST Express to reflect the diminished value of the portion of the bus fleet related to the engines being remanufactured. This expense will be recognized as the work progresses.

**REVENUE, SUBAREA, AND FINANCIAL PLAN IMPACTS**

The proposed action is consistent with the current Board-adopted budget and is affordable within Sound Transit’s current long-term financial plan and the sub-area financial capacity. There are no additional revenues associated with this action.

**BUDGET TABLE**

The following table illustrates the impacts of this action on the budget for the Bus Acquisition Program. This budget appears on page 59 of the Adopted 2005 Budget.

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

Action Item: Execute contract with Pacific Power Products, Inc. to remanufacture engines for ST Express 60 ft bus fleet (Project #290)

	Current Board Adopted Budget <sup>1</sup> (A)	Committed To Date <sup>2</sup> (B)	This Action <sup>3</sup> (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
1 Agency Administration	\$ 2,010	\$ 980	\$ -	\$ 980	\$ 1,030
2 Pre-Engineering	-	-	-	-	-
3 Final Design	-	-	-	-	-
4 Right of Way	-	-	-	-	-
5 Construction	-	-	-	-	-
6 Vehicles	103,898	90,820	1,147	91,967	11,930
7 Contingency	-	-	-	-	-
8 Total Current Budget	\$ 105,907	\$ 91,800	\$ 1,147	\$ 92,947	\$ 12,960

Contract Budget	Current Approved Contract Value	Spent to Date	Proposed Action	Proposed Total Contract Value
Pacific Power Products, Inc.	\$ -	\$ -	\$ 1,093	\$ 1,093
ST Contingency	-	-	55	55
Total	\$ -	\$ -	\$ 1,147	\$ 1,147
Percent Contingency	N/A	N/A	5%	5%

## **EEO – EQUAL EMPLOYMENT OPPORTUNITY**

### **Prime Consultant/Contractor**

Pacific Power Products will perform 100% of the work.

### **EEO Commitment**

Pacific Power Products in an equal opportunity employer with 13% women and 3% minorities.

### **Apprentice Utilization Commitment**

Pacific Power Products currently employs twelve apprentice technicians.

## **PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION**

### **Prior Board/Committee Actions on this Project and Relevant Board Policies**

<b>Motion or Resolution Number</b>	<b>Summary of Action</b>	<b>Date of Action</b>
R99-30	Executed an Operations and Maintenance Agreement for Regional Express bus service with King County Metro.	07/26/99
R99-12	Executed an Operations and Maintenance Agreements for Regional Express bus service with Pierce Transit and Community Transit.	04/22/99

This project is to increase reliability and lower maintenance costs of the 1999 and 2001 ST Express New Flyer 60-foot low floor bus fleet. There are thirty-seven buses in this fleet currently operated and maintained by transit partners. Over the last five years of operations, these buses have been the most expensive to maintain and least reliable primarily due to engine related failures. Also, service continues to demand higher passenger capacity than these buses provide.

In 2004, Sound Transit and its partner agencies' vehicle maintenance managers evaluated various options including retrofitting with other engine installations (Cummins and Caterpillar) and conversion to hybrid systems. The evaluation criteria included the project cost, technical capacities and risks. In conclusion the managers recommended retrofitting these buses with remanufactured engines and transmissions with extended warranties on the engines.

The recommendation was based on the following:

- A test of two remanufactured engines at Pierce Transit and King County Metro Transit, which showed improved reliability as the remanufactured engines include various product improvements.
- The extended warranty covers virtually every part of an engine, resulting in lowered maintenance costs.
- Transmissions are also due for major overhauls with nearly half-million miles usage and it is less expensive to replace them with remanufactured transmissions than rebuilding them.

- Retrofitting with other brand engines or a hybrid system conversion would be three to seven times more expensive and carries risks of other system problems resulting from major system changes including modifications to the bus frame and the control wiring systems.

Upon execution of the contract, Pacific Power Products will begin the delivery starting the fourth quarter of this year through the end of 2006 or earlier.

### **CONSEQUENCES of DELAY**

A two-week delay in approving this action would result in on-going reliability issues and continue high maintenance costs.

### **PUBLIC INVOLVEMENT**

Not applicable to this action.

### **LEGAL REVIEW**

JW 8/1/05

## SOUND TRANSIT

### MOTION NO. M2005-72

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the Chief Executive Officer to execute a contract with Pacific Power Products to supply remanufactured engines and transmissions for Sound Transit's 60-foot bus fleet in the amount of \$1,092,787, with a 5% contingency of \$54,640, for a total authorized amount not to exceed \$1,147,427.

#### Background:

This action provides for a one-time project needed to increase reliability and lower maintenance costs of the ST Express New Flyer 60-foot low floor bus fleet purchased in 1999 and 2001. There are thirty-seven buses in this fleet currently operated and maintained by Sound Transit's transit partners. Over the last five years of operations, these buses have been the most expensive to maintain and least reliable primarily due to engine related failures. Also, service continues to demand higher passenger capacity than these buses provide.

These components are built with original manufacturers' parts and tested for performance. The engines and transmissions will have improved and updated parts installed by the transit partners' vehicle maintenance staff. The contract provides a five-year warranty on engines and one-year on transmissions and the engine warranties provide coverage through the remaining life of the buses.

Last year, Sound Transit and its partner agencies vehicle maintenance managers evaluated various options including retrofitting with other engine installations (Cummins and Caterpillar) and conversion to hybrid systems. The evaluation criteria included the project cost, technical capacities and risks. In conclusion, the managers recommended retrofitting these buses with remanufactured engines and transmissions with extended warranties on the engines.

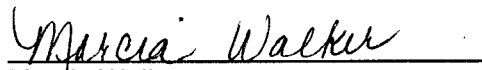
#### Motion:

It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that the Chief Executive Officer is authorized to execute a contract with Pacific Power Products to supply remanufactured engines and transmissions for Sound Transit's 60-foot bus fleet in the amount of \$1,092,787, with a 5% contingency of \$54,640, for a total authorized amount not to exceed \$1,147,427.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on August 18, 2005.

  
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Jack Crawford  
Finance Committee Chair

#### ATTEST:

  
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Marcia Walker  
Board Administrator