

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2007-98

Amendment to Seattle-Tacoma Commuter Rail Service Agreement

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Board	9/13/07	Action	Agnes Govern, Director Martin Young, Commuter Rail Operations Manager	(206) 398-5037 (206) 398-5115

Contract/Agreement Type:	✓	Requested Action:	✓
Competitive Procurement		Execute New Contract/Agreement	
Sole Source		Amend Existing Contract/Agreement	✓
Agreement with Other Jurisdiction(s)		Budget Amendment	
Real Estate		Property Acquisition	

PROJECT NAME

Sounder Commuter Rail Tacoma to Seattle Transit Operations

PROPOSED ACTION

Authorizes the chief executive officer to execute an amendment to the BNSF Railway Company Service Agreement for Sounder commuter rail for the Seattle to Tacoma Corridor to permit up to six round trips before completion of Phase 2 railroad improvements under the BNSF Railway Company Seattle-Tacoma Corridor Construction Agreement.

KEY FEATURES of PROPOSED ACTION

- This amendment provides Sound Transit with the right to operate up to six round trips in the Seattle-Tacoma Corridor before completion of Phase 2 construction under the Railway Company (BNSF) Construction Agreement.
- Under the Service Agreement, as currently amended, BNSF may, but is not required to, provide additional service at the rate of \$50 per train mile. Under this amendment, Sound Transit will be charged \$35 per train mile for round trips five and six.
- This action clarifies train delay term to comport to industry standards and also corrects scrivener's errors.

BUDGET IMPACT SUMMARY

There is no action outside of the Board-adopted budget; there are no contingency funds required, no subarea impacts, or funding required from other parties other than what is already assumed in the financial plan.

BUDGET and FINANCIAL PLAN DISCUSSION

The proposed action would amend the BNSF Service Agreement to provide Sound Transit the right to operate six round trips in the Seattle-Tacoma Corridor before completion of Phase 2 construction under the BNSF Construction Agreement. The cost of operating the trains is covered in the Sounder commuter rail transit operations budget in the purchased transportation category. For 2007, the total budget for Sounder-purchased transportation is \$7,296,104. Through August, a total of approximately \$4,150,000 had been spent for purchased transportation. At the current service levels and rates, a total of approximately \$6,250,000 is committed for the year.

The proposed amendment to the service agreement would mean that trips number five and six between Seattle and Tacoma would be priced at \$35 per train mile. Based on five days a week service of two additional round trips of nearly 40 miles apiece, the additional cost associated with this amendment is approximately \$386,000 (69 remaining weekdays x four trips per day x 40 miles per trip).

Concurrent with this action is a corresponding contract amendment for additional service on the Seattle-Everett Corridor. The total cost of that amendment is calculated to be approximately \$130,000 for 2007. Thus, the total impacts of both amendments are projected to be approximately \$516,000. The remaining budget of approximately \$1,000,000 is sufficient to fund the additional service being requested in this contract amendment.

The Proposed 2008 Budget has been developed with the assumption that a full year of these additional trips will be provided. In addition, the Finance Plan assumes that these additional trips will be provided for the duration of the remaining contract with BNSF.

BUDGET TABLE

The annual service levels operated by BNSF are funded through the Board adoption of the annual budget. The Sounder commuter rail transit operations budget is included on page 55 of the Adopted 2007 Budget book. The impact of the proposed action on the transit operations budget is as follows:

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

Action Item: Amend the existing BNSF Service Agreement to provide for two additional round trips in the Seattle-Tacoma Corridor prior to completion of Phase 2 construction improvements per the BNSF Construction Agreement.

Service to be Charged to: Sounder Transit Operations budget	Current Board Adopted Budget¹	Spent and Committed to Date²	Available to Fund this Amendment	2007 Portion Proposed Action³⁵
1 Purchased Transportation	7,296	6,250	1,046	386
2 Total Account	7,296	6,250	1,046	386

Notes

¹ The Sounder Transit Operations budget was included in page 55 of the Adopted 2007 budget book.

² Represents the amount that has been spent and committed through December 31, 2007 for service between Seattle-Tacoma and Seattle-Everett.

Actual spending is through August 31, 2007, with the committed amount representing the cost of the existing service levels through December 31, 2007.

³ Represents the additional cost in 2007 of the additional round trips between Seattle and Tacoma at a rate of \$35 per train mile.

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

Sounder commuter rail has been provided by BNSF on the Seattle-Tacoma Corridor through the Seattle-Tacoma Service Agreement and Seattle-Tacoma Construction Agreement since 2000. Under the service agreement, Sound Transit is permitted to run up to three round trips after completion of Phase 1 construction. Sound Transit has been operating a fourth round trip since June 2005 as a special service train under the Service Agreement, revocable at any time. Phase 2 of the construction under the construction agreement in the Seattle-Tacoma corridor is scheduled to be completed in the second half of 2008. Therefore, BNSF has been willing to permit two additional round trips, including a morning train to, and an afternoon train from, Tacoma. BNSF will provide round trips five and six at \$35 per train mile (trains one through four are being charged \$50 per train mile as the "during construction" rate provided in the service agreement). Upon completion of Phase 2 of construction, Sound Transit will pay for service at a rate calculated under the service agreement.

This amendment also clarifies when a train is "on time". BNSF and other providers' carriers track arrival and departure times in whole minutes. A train is considered to be *exactly* on time if the minute hand (or digit) of the clock used to calculate on-time performance is the minute of the

scheduled arrival. Therefore, if the train schedule shows arrival at 7:00, then the train is *exactly* on time at 7:00:59. Under the service agreement, the train is considered on-time if it is “within five minutes” of the scheduled arrival time. BNSF wishes to clarify that “within five minutes” means five minutes rounded down to the last whole minute. Using our example above, 7:05:59 will be reported as 7:05. This method of time-keeping comports to BNSF’s time calculations for freight and other commuter properties.

Prior Board/Committee Actions

Motion/Resolution Number and Date	Summary of Action
M2003-136 12/17/03	First Amendment to BNSF Seattle-Tacoma Service Agreement
R99-22 8/26/99	Authorize execution of BNSF Seattle-Tacoma Construction and Service Agreements

CONSEQUENCES of DELAY

BNSF and Sound Transit wish to start the expanded service on September 24, 2007.

PUBLIC INVOLVEMENT

Not applicable to this action.

ENVIRONMENTAL COMPLIANCE

SSK 9-10-07

LEGAL REVIEW

JDW 09/11/07

SOUND TRANSIT

MOTION NO. M2007-98

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute an amendment to the BNSF Railway Company Service Agreement for Sounder commuter rail for the Seattle to Tacoma Corridor to permit up to six round trips before completion of Phase 2 railroad improvements under the BNSF Railway Company Construction Agreement.

Background:

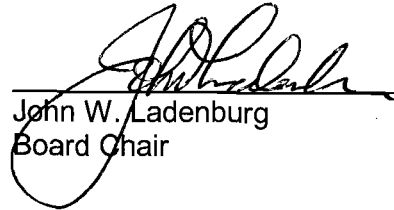
Sounder commuter rail has been provided by BNSF Railway Company (BNSF) on the Seattle-Tacoma Corridor through the Seattle-Tacoma Service Agreement and Seattle-Tacoma Construction Agreement since 2000. Under the service agreement, Sound Transit is permitted to run up to three round trips after completion of Phase 1 construction. Sound Transit has been operating a fourth round trip since June 2005 as a special service train under the service agreement, revocable at any time. Phase 2 of the construction under the construction agreement in the Seattle-Tacoma corridor is scheduled to be completed in the second half of 2008. Therefore, BNSF has been willing to permit two additional round trips, including a morning train to, and an afternoon train from, Tacoma. BNSF will provide round trips five and six at \$35 per train mile (trains one through four are being charged \$50 per train mile as the "during construction" rate provided in the service agreement). Upon completion of Phase 2 of construction, Sound Transit will pay for service at a rate calculated under the service agreement.

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Motion:

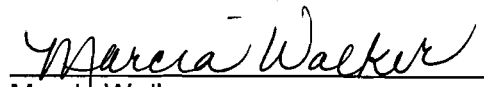
It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute an amendment to the BNSF Railway Company Service Agreement for Sounder commuter rail for the Seattle to Tacoma Corridor to permit up to six round trips before completion of Phase 2 railroad improvements under the BNSF Railway Company Construction Agreement.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on September 13, 2007.



John W. Ladenburg
Board Chair

ATTEST:



Marcia Walker
Board Administrator