

RESOLUTION NO. R2010-26
Amend the Adopted 2010 Budget for the ST2 Fleet Expansion Project and the ST Express Fleet Replacement Project

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Board	12/16/10	Final Action	Bonnie Todd, Executive Director, Operations Dave Turissini, Bus Operations Manager	206-398-5367 206-398-5035

PROPOSED ACTION

Amends the Adopted 2010 Budget for Service Delivery capital from \$29,597,945 to \$67,547,945 by 1) increasing the ST Express Fleet Expansion Project budget from \$11,700,000 to \$32,760,000 and 2) increasing the ST Express Fleet Replacement Project budget from \$0 to \$16,890,000.

KEY FEATURES

- This budget amendment is due to changes in the bus production schedule for expansion and replacement buses. The spending on these projects had been planned for the first quarter of 2011, but these buses are being delivered one or two months earlier than originally anticipated.
- This amendment would add \$21,060,000 to the 2010 Annual Budget for the ST2 Fleet Expansion Project and would add \$16,890,000 to the 2010 Annual Budget for the ST Express Fleet Replacement Project. There is no change to the lifetime budget for either project.
- The Board authorized the chief executive officer to execute contracts to procure these buses earlier in 2010.

PROJECT DESCRIPTION

The ST Express Fleet Expansion Project (#705) provides the funding for the additional fleet required to meet the service expansion included in the ST2 service plan. A total of 40 buses were ordered to meet this requirement.

The ST Express Fleet Replacement Project (#701) provides funding for the replacement of the ST Express fleet, which was put into service beginning in 1999. The FTA guidelines for fleet replacement require either a twelve-year life or 500,000 miles for federally-eligible replacement. The buses that were ordered will be used to replace buses that went into service in 1999 and have more than 700,000 miles on them.

FISCAL INFORMATION

Project: 7x701 - ST Express Fleet Replacem	2010 Annual Budget			Lifetime Budget		
	2010 Adopted	Budget Transfer	Revised	2010 Adopted	Budget Transfer	Revised
Phase	Project Budget		Project Budget	Project Budget		Project Budget
Agency Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Preliminary Engr / Environmental Documentation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Final Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ 16,890	\$ 16,890	\$ 121,885	\$ -	\$ 121,885
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ 16,890	\$ 16,890	\$ 121,885	\$ -	\$ 121,885

* This project can be found on page 124 of 2010 Adopted TIP Budget Book. There is no change in lifetime budget.

Project: 7x705 - ST Express Fleet Expansion	2010 Annual Budget			Lifetime Budget		
	2010 Adopted	Budget Transfer	Revised	2010 Adopted	Budget Transfer	Revised
Phase	Project Budget		Project Budget	Project Budget		Project Budget
Agency Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Preliminary Engr / Environmental Documentation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Final Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ 11,710	\$ 21,060	\$ 32,770	\$ 42,000	\$ -	\$ 42,000
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 11,710	\$ 21,060	\$ 32,770	\$ 42,000	\$ -	\$ 42,000

* This project can be found on page 126 of 2010 Adopted TIP Budget Book. There is no change in lifetime budget.

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

APPRENTICE UTILIZATION COMMITMENT

Not applicable to this action.

BACKGROUND

Two bus procurements were authorized by the Board earlier this year. Motion No. M2010-01 authorized a contract with new Flyer Corporation for the purchase of 24 New Flyer sixty foot, high-capacity buses in the amount of \$22,277,786, with a 5% contingency of \$1,113,889 for a total authorized contract amount not to exceed \$23,391,675. Delivery was anticipated to be in December and January, but was made in November and December instead. The terms of the agreement are to make payment within 30 days after acceptance. Final acceptance is almost complete. This budget amendment will transfer money from 2011 to 2010 so the payment can be made within the contractual time. The buses will be operated by both Community Transit and King County Metro in support of the service expansion programmed through ST2 and included in the approved 2010 Service Implementation Plan.

Motion No. M2010-56 authorized a contract with Motor Coach Industries to manufacture and deliver 17 forty-five foot, high-capacity transit coaches in the amount of \$9,224,336, with a 5% contingency of \$461,217, for a total authorized contract amount not to exceed \$9,685,553. Delivery was anticipated to be in December, but was made in November. The terms of the agreement are to make payment within 40 days after delivery. Money was budgeted in 2011 to make this payment, but because of the earlier delivery date, payment must be made in 2010. The buses will be used to replace existing fleet currently operated by Pierce Transit. The buses being replaced all have more than 700,000 miles on them, well in excess of the optimal life of a standard transit bus.

ENVIRONMENTAL COMPLIANCE

SSK 12-10-10

PRIOR BOARD/COMMITTEE ACTIONS

Resolution No. R2009-23 – Adopting an annual budget for the period from January 1 through December 31, 2010.

Motion No. M2010-01 – Authorizing the chief executive officer to execute a contract with New Flyer Corporation for the purchase of 24 New Flyer sixty-foot, high-capacity buses in the amount of \$22,277,786, with a 5% contingency of \$1,113,889 for a total authorized contract amount not to exceed \$23,391,675.

Motion No. M2010-56 – Authorizing the chief executive officer to execute a contract with Motor Coach Industries to manufacture and deliver 17 forty-five foot, high-capacity transit coaches in the amount of \$9,224,336, with a 5% contingency of \$461,217, for a total authorized contract amount not to exceed \$9,685,553.

TIME CONSTRAINTS

A delay would affect Sound Transit’s ability to meet the contractual requirements for both bus procurements.

PUBLIC INVOLVEMENT

Not applicable to this action.

LEGAL REVIEW

JW 12/10/10



RESOLUTION NO. R2010-26

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority amending the Adopted 2010 Budget for Service Delivery capital from \$29,597,945 to \$67,547,945 by 1) increasing the ST Express Fleet Expansion Project budget from \$11,700,000 to \$32,760,000 and 2) increasing the ST Express Fleet Replacement Project budget from \$0 to \$16,890,000.

WHEREAS, the Central Puget Sound Regional Transit Authority, hereinafter referred to as Sound Transit, has been created for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to plan, construct, and operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the Central Puget Sound region; and

WHEREAS, in general elections held within the Central Puget Sound Regional Transit Authority district on November 5, 1996 and November 4, 2008, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, the Sound Transit Board has adopted financial policies to govern the financing and implementation of the regional transit system and to specify budgetary guidelines for providing subarea equity in accomplishing the same; and

WHEREAS, this budget amendment is consistent with and affordable under adopted Sound Transit financial policies as established by Resolution No. R2008-10; and

WHEREAS, by Resolution No. R2002-08 the Sound Transit Board adopted revised budget policies; and

WHEREAS, by Resolution No. R2009-23, the Sound Transit Board adopted the 2010 budget by a two-thirds affirmative vote of the entire membership; and

WHEREAS, the Adopted 2010 Budget for Service Delivery capital is in the amount of \$29,597,945; and

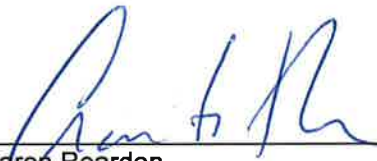
WHEREAS, spending for fleet expansion and fleet replacement had been planned for the first quarter of 2011, however the buses are being delivered one or two months earlier than originally anticipated; and

WHEREAS, this budget amendment will transfer money for these contracts from 2011 to 2010 so payment can be made within the contractual time; and

WHEREAS, a two-thirds affirmative vote of the entire membership of the Sound Transit Board is required to amend the Adopted 2010 Budget.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that the Adopted 2010 Budget for Service Delivery capital from is amended from \$29,597,945 to \$67,547,945 by 1) increasing the ST Express Fleet Expansion Project budget from \$11,700,000 to \$32,760,000 and 2) increasing the ST Express Fleet Replacement Project budget from \$0 to \$16,890,000.

ADOPTED by not less than a two-thirds affirmative vote of the Board of the Central Puget Sound Regional Transit Authority as a major decision of the Board at a regular meeting thereof held on December 16, 2010.



Aaron Reardon
Board Chair

ATTEST:



Marcia Walker
Board Administrator