

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. M2011-61

A motion of the Board of the Central Puget Sound Regional Transit Authority ratifying 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.

BACKGROUND:

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 contains further 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.

MOTION:


It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that 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 is ratified.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on July 28, 2011.



Aaron Reardon
Board Chair

ATTEST:



Marcia Walker
Board Administrator