

## **RESOLUTION NO. R2013-12**

### **Budget Amendment for the Sounder ST2 Fleet Expansion Project**

<b>MEETING:</b>	<b>DATE:</b>	<b>TYPE OF ACTION:</b>	<b>STAFF CONTACT:</b>	<b>PHONE:</b>
Operations and Administration Committee	6/6/13	Recommendation to Board	Bonnie Todd, Executive Director, Operations	(206) 398-5367
Board	6/27/2013	Final Action	<b>David Huffaker, Business Services Manager, Operations Department</b>	(206) 398-5378

### **PROPOSED ACTION**

Amends the Adopted 2013 Lifetime Budget for the Sounder ST2 Fleet Expansion project from \$16,296,000 to \$49,530,000 and (2) amends the Adopted 2013 Annual Budget for the project from \$4,196,000 to \$15,196,000 to provide funding to purchase nine Sounder passenger vehicles.

### **KEY FEATURES SUMMARY**

- This action provides funding for the purchase of nine additional Sounder passenger vehicles needed to cover additional round trips included in the ST2 service expansion and to meet needs related to the growth in ridership on Sounder.
- The coaches are programmed for purchase through Motion No. M2013-35 and would be the latest generation of Bombardier coaches and are fully compatible with the legacy Sounder fleet.
- The project budget reflects the proposed purchase in Motion No. M2013-35 plus additional vehicle engineering and production oversight services.
- The proposed action is consistent with the Adopted 2013 Service Implementation Plan for Sounder and is affordable within the Agency's financial plan.

### **BACKGROUND**

Sounder South line commuter service began in 2000 and North line service began in 2003. Both lines are now fully built-out in accordance with the Sound Move program, with nine and four round trips on each line, respectively, and service extended to Lakewood last year. The ST2 plan funded additional service with four more south-line easements from BNSF. Service expansion on the Sounder South line will begin in September 2013 with the addition of one peak direction trip, increasing round trip service on the South line from nine to ten trips daily. Further expansion will take place in 2016 when a peak direction round trip and a reverse direction round trip will be added. A final round trip will be added in 2017, completing the ST2 Sounder service expansion. The additional equipment requested in this action is required for the service expansion planned in 2016 and will be sufficient for the final round trip added in 2017. Three locomotives needed for the ST2 expansion were procured in 2011 and recently delivered.

The budget amendment will provide funding to add nine cab cars to the Sounder fleet which currently consists of 14 locomotives, 40 coaches, and 18 cab cars. All 58 Sounder passenger cars were also purchased from Bombardier between 1999 and 2003. The new coaches will be placed on the South line to fulfill the expansion requirements planned in the fourth quarter of 2016 consistent with the ST2 Plan.

## FISCAL INFORMATION

The proposed action would add \$33.2 million to the lifetime budget of Sounder ST2 Fleet Expansion project (#755) to fund an expansion of the Sounder fleet by nine cab cars. The total Lifetime Capital Budget for the coaches would be \$49.7 in year of expenditure dollars, including sales tax associated with the purchase price.

The Adopted 2013 Annual Capital Budget would be amended to reflect the planned spending in 2013 related to the procurement. Spending in 2013 is related to specification development, vehicle engineering services to ensure compatibility with the rest of the Sounder fleet, production oversight services and a proportional share of the total manufacturing cost based on demonstrated progress on contract milestones. The remaining vehicle project budget will be spent in 2014 through 2016 and is associated closely with final production, delivery, and final acceptance of the vehicles.

The \$33.2 million total cost for the Sounder cab procurement is \$20.9 million higher than the costs set aside within the agency's long-term financial plan. The procurement is charged to the Pierce subarea, consistent with the ST2 assumptions for subarea cost allocation for the ST2 additional Sounder easements. The Pierce subarea has sufficient financial subarea capacity to issue \$20.9 million of additional debt. However, the use of subarea financial capacity will reduce the subarea's ST3 financial capacity. In addition, the issuance of \$20.9 million of additional bonds will reduce the agency's net debt service coverage, which is already forecast to be below the board's 1.5x coverage policy minimum. Through the program realignment, staff is monitoring agency costs and revenues, and reporting quarterly to the Board, to best balance long-term program and financial management. To offset the \$20.9 million of additional costs, staff will present options to the Board by the end of the first quarter of 2014 for capital and operating costs savings within the Pierce subarea, including options for reducing the scope of the ST2 Sounder maintenance base project.

Project: 755 - Sounder ST2 Fleet Expansion	2013 Annual Budget			Lifetime Budget		
	2013 Adopted Project Budget	Budget Amendment	Revised Project Budget	2013 Adopted Project Budget	Budget Amendment	Revised Project Budget
Agency Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Preliminary Engr / Environmental Documentation	\$ 150	\$ -	\$ 150	\$ 250	\$ -	\$ 250
Final Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ROW Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ 4,046	\$ 11,000	\$ 15,046	\$ 16,046	\$ 33,234	\$ 49,280
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 4,196</b>	<b>\$ 11,000</b>	<b>\$ 15,196</b>	<b>\$ 16,296</b>	<b>\$ 33,234</b>	<b>\$ 49,530</b>

This project can be found on page 63 of 2013 Transit Improvement Plan.

## SMALL BUSINESS PARTICIPATION

Not applicable to this action.

## EQUAL EMPLOYMENT WORKFORCE PROFILE

Not applicable to this action.

**PUBLIC INVOLVEMENT**

Not applicable to this action.

**TIME CONSTRAINTS**

A delay in approval of this action would not allow Sound Transit to use the options from UTA which expire in July 17, 2013. Sound Transit would need to seek options from another source or initiate a procurement likely resulting in higher cost.

**PRIOR BOARD/COMMITTEE ACTIONS**

None.

**ENVIRONMENTAL REVIEW**

JI 4/16/2013

**LEGAL REVIEW**

JW 5/30/2013



## **RESOLUTION NO. R2013-12**

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority (1) amending the Adopted 2013 Lifetime Budget for the Sounder ST2 Fleet Expansion project from \$16,296,000 to \$49,530,000 and (2) amending the Adopted 2013 Annual Budget for the project from \$4,196,000 to \$15,196,000 to provide funding to purchase nine Sounder passenger vehicles.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under RCW Chapters 81.104 and 81.112 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 permanently 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, by Resolution No. R2012-25, the Sound Transit Board adopted the 2013 Budget on December 20, 2012; and

WHEREAS, The ST2 plan funded additional service with four more south-line easements from BNSF; and

WHEREAS, this action amends the annual and lifetime budget of the Sounder ST2 Fleet Procurement project to fund the purchase of nine additional Sounder passenger vehicles needed to cover additional round trips included in the ST2 service expansion and to meet needs related to the growth in ridership on Sounder; and

WHEREAS, the budget amendment reflects the proposed purchase in Motion No. M2013-35 of nine Sounder passenger vehicles, plus additional vehicle engineering and production oversight services; and

WHEREAS, the \$33.2 million total cost for the Sounder cab procurement is \$20.9 million higher than the costs set aside within the agency's long-term financial plan; and

WHEREAS, the Sounder passenger vehicle procurement will be charged to the Pierce subarea, consistent with the ST2 assumptions for subarea cost allocation for the ST2 additional Sounder easements; and

WHEREAS, options will be presented to the Board by the end of the first quarter of 2014 for capital and operating costs savings within the Pierce subarea, including options for reducing the scope of the ST2 Sounder maintenance base project in order to offset the \$20.9 million of additional costs; and

WHEREAS, a two-thirds affirmative vote of the entire membership of the Sound Transit Board is required to amend the Adopted 2013 Annual Budget.


NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that:

- 1) The Adopted 2013 Lifetime Budget for the Sounder ST2 Fleet Procurement project is amended from \$16,296,000 to \$49,530,000.
- 2) The Adopted 2013 Annual Budget for the Sounder ST2 Fleet Procurement project is amended from \$4,196,000 to \$15,196,000.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on June 27, 2013.

  
Julia Patterson  
Board Vice Chair

ATTEST:

  
Marcia Walker  
Board Administrator