

**RESOLUTION NO. R2013-17**
**Amendment to the Adopted 2013 Lifetime Capital Budget for the Sounder Vehicle Overhaul Program**

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Operations and Administration Committee	9/05/13	Recommendation to Board	Bonnie Todd, Executive Director, Operations	(206) 398-5367
Board	9/26/2013	Final Action	<b>David Huffaker,</b> <b>Operations Business Manager</b>	(206) 398-5378

**PROPOSED ACTION**

Amends the Adopted 2013 Lifetime Capital Budget Sounder Vehicle Overhaul Program from \$17,412,000 to \$22,450,000.

**KEY FEATURES SUMMARY**

- This action provides additional budget to cover locomotive overhauls on eleven locomotives in Sound Transit's fleet. Board authorization for a contract to complete the locomotive overhaul is being sought under Motion No. M2013-72.
- A budget amendment is being requested to cover:
  - Higher than anticipated costs to upgrade locomotives to the Tier 0+ emissions standard and for sales tax and a 10 percent contingency; and
  - Expanded project scope to upgrade two locomotives to the Tier 3 emissions standard as a result of receiving a grant from the Puget Sound Clean Air Agency that covers a portion of the upgrade cost.
- This work is part of a larger project to overhaul major components on Sound Transit's Sounder fleet that also includes 58 coaches and cab cars that were placed into service beginning in 2000. Upgrade work for coaches and cab cars was authorized by the Operations and Administration Committee and Board in 2010 and 2011 and work is scheduled to be complete by 2016.

**BACKGROUND**

The Sounder Vehicle Overhaul Program was created in 2012 to fund commuter rail asset overhauls to maintain, preserve and extend the life of existing locomotive and vehicle assets. The initial lifetime budget of this project was \$17.4 million.

Sounder's fleet includes eleven F59PHI locomotives manufactured by Electro-Motive Diesel, Inc. between 1999 and 2001. The manufacturer recommends overhauls be completed on a six year cycle but due to Sounder's less strenuous duty cycle, Sound Transit has been able to extend locomotive overhaul intervals on the main engine. Completing the work will extend the life of the locomotives for another 12-15 years and ensure a high level of service reliability.

Three new MPXpress MP40PH-3C locomotives manufactured by MotivePower, Inc. were added this year to meet future service expansion plans. The addition of the new locomotives will allow one locomotive to be taken out of service at a time for overhaul work without impacting service delivery.

Sound Transit applied for and received a grant from the Puget Sound Clean Air Agency to upgrade two of the locomotives from EPA Tier 0+ to Tier 3 emission standards for an amount up to \$1,121,210. This grant requires a local match of approximately 33%. The Puget Sound Clean Air Agency estimated fuel savings from the higher Tier 3 upgrade to be 2,000 gallons of fuel saved per year per locomotive as well as emission reductions. The remaining nine locomotives will have main engine upgrades to the Tier 0+ EPA emissions standard with the ability to upgrade to Tier 3. The budget amendment includes \$3,916,790 to complete the Tier 0+ upgrade.

Sound Transit will seek grant funding to have the remaining nine locomotives upgraded to Tier 3 emission standards. Should grant funding become available, staff would return to the Board for a budget amendment to reflect the additional grant funding and scope, as well as any additional local match paid by Sound Transit.

**FISCAL IMPACT**

The agency’s long-term Financial Plan includes a Sounder Vehicle Overhaul Program to enable the agency to maintain a state of good repair. This fleet overhaul program was budgeted at \$17.4 million in the 2013 TIP. The proposed action would add \$5,038,000 to the lifetime budget, but there would be no change in the 2013 spending plan. Within the lifetime budget amount, \$1,121,210 would be funded through a grant to upgrade two locomotives to Tier 3 environmental standards. The remainder of \$3,916,790 would be covered by the agency’s capital replacement reserve. However, as this work is higher than was forecasted, additional savings in future Sounder capital replacement and rehab will need to be identified before any additional work is funded to stay within allocated funding.

This action is required to provide sufficient budget authority for work being requested under Motion M2013-72 which would authorize a multi-year locomotive overhaul contract with Electro-Motive Diesel, Inc.

Project: 770 - Sounder Vehicle Overhaul projec	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	\$ 11	\$ -	\$ 11	\$ 35	\$ -	\$ 35
Preliminary Engr / Environmental Documentation	\$ 23	\$ -	\$ 23	\$ 46	\$ -	\$ 46
Final Design	\$ 91	\$ -	\$ 91	\$ 338	\$ -	\$ 338
ROW Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -	\$ 418	\$ -	\$ 418
Vehicles	\$ 4,422	\$ -	\$ 4,422	\$ 16,577	\$ 5,038	\$ 21,615
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 4,547</b>	<b>\$ -</b>	<b>\$ 4,547</b>	<b>\$ 17,412</b>	<b>\$ 5,038</b>	<b>\$ 22,450</b>

This project can be found on page 151 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 one month delay would not create a significant impact to the project schedule; however, any further delay could prove problematic because the Tier 3 upgrade of the two locomotives must be completed and invoiced by September 2014 to take advantage of grant funding.

## PRIOR BOARD/COMMITTEE ACTIONS

Not applicable to this action.

## ENVIRONMENTAL REVIEW

JI 8/19/2013

## LEGAL REVIEW

JW 8/30/2013

**RESOLUTION NO. R2013-17**

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority amending the Adopted 2013 Lifetime Capital Budget Sounder Vehicle Overhaul Program from \$17,412,000 to \$22,450,000.

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 Sound Move and ST2 plan funded the midlife maintenance and overhaul of the rolling stock in support of service; and

WHEREAS, this action amends the lifetime budget of the Sounder Vehicle Overhaul Program to fund the additional costs of locomotive overhauls needed to provide the ST2 service plan and to meet needs related to the aging of the fleet; and

WHEREAS, the budget amendment would fund a separate action to overhaul nine locomotives from Tier 0 environmental standards to Tier 0+ and two locomotives from Tier 0 to Tier 3 environmental standards; and

WHEREAS, the \$22,450,000 total cost of the Sounder Vehicle Overhaul program is \$5,038,000 higher than the lifetime budget included in the agency's long term financial plan; and

WHEREAS, the Puget Sound Clean Air Agency is providing a grant in the amount of \$1,121,210, including a local match, to fund the additional cost to update two locomotives from Tier 0+ to Tier 3 environmental compliance; 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 the Adopted 2013 Lifetime Budget for the Sounder Vehicle Overhaul Program is amended from \$17,412,000 to \$22,450,000.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on September 26, 2013.

  
Pat McCarthy  
Board Chair

ATTEST:

  
Marcia Walker  
Board Administrator