

MOTION NO. M2015-116

**Agreement Extension with Amtrak for Sounder Fleet Maintenance**

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Operations and Administration Committee	12/03/2015	Recommendation to Board	Bonnie Todd, Executive Director, Operations
Board Meeting	12/17/2015	Final Action	<b>Martin Young, Sounder Operations Manager</b>

**PROPOSED ACTION**

Authorizes the chief executive officer to exercise the option to extend the agreement with the National Railroad Passenger Corporation (Amtrak) for a one-year term for the continued maintenance of Sounder locomotives and cars, which includes the cost of fuel, in an amount not to exceed \$18,377,778 for a new total authorized amount not to exceed \$208,117,012.

**KEY FEATURES SUMMARY**

- This action exercises a one-year option included in the agreement between Sound Transit and the National Railroad Passenger Corporation (Amtrak) for the maintenance of Sounder locomotives and cars. The agreement was authorized by the Board in 2010 through Motion No. M2010-28.
- The one-year agreement extension is for the continuation of current services provided by Amtrak that include but are not limited to scheduled preventative maintenance, heavy repair work, parts and material, special event service, mid-day layover yard space and maintenance facilities. The agreement covers Sounder’s 14 locomotives and 58 cars as well as nine cab cars.
- The agreement amount includes fuel for Sounder’s locomotives (approximately 1.3-million gallons per year). Fuel accounts for approximately twenty-five percent of the annual amount spent on this agreement.

**BACKGROUND**

Sound Transit first entered into an agreement with Amtrak for commuter rail maintenance in September of 2000. The agreement was a sole source procurement based on Amtrak’s unique ability to service equipment near King Street Station.

In 2008, Sound Transit began negotiations with Amtrak for an amended agreement. The 2010 amended agreement authorized by the Board through Motion No. M2010-28 achieved more favorable financial terms for Sound Transit, a higher level of transparency, and performance incentives and/or performance penalties for Amtrak.

The amended agreement included one two-year option and three one-year options to extend the term of the agreement. The two-year option to extend was authorized by the Board through Motion No. M2014-71 in October 2014. This proposed option would exercise the second option to extend, and like the previous option, Amtrak will continue to provide all personnel, services, parts and materials, equipment and facilities required to maintain the locomotives, passenger coaches and cab cars used in the operation of Sounder commuter rail service. Amtrak will also provide maintenance services for event trains and any support requested by Sound Transit necessary to resolve emergency situations.

Souder maintenance services are performed at the Amtrak Holgate Yard near King Street Station and at the end of the line layover facilities in Tacoma and Everett.

As part of the agreement, Amtrak also performs federally required inspections and accompanying documentation for the entire Souder fleet and participates in regular maintenance and operational meetings related to Souder service, including safety meetings, monthly performance review meetings, and semi-annual contract performance meetings.

**FISCAL INFORMATION**

The proposed action will be funded from annual Souder operating budget.

The 2016 spending plan is within the current contract authority and has been fully incorporated into the 2016 annual operating budget for Souder Contract Maintenance, Materials and Supplies, and Shared Facilities Utilities. The 2016 total budget for these items is \$17,001,000. Forecast for the spending plan is estimated at \$1,656,000, which will leave a remaining budget of \$845,000 to fund any other activities contained in the cost estimates of the contract throughout the year.

Costs occurred in 2017 will be incorporated in the 2017 Souder annual operating budget.

The budget table below shows the budget impact of this action.

**Summary for Board Action (X \$1,000)**

	Proposed 2016 Budget	Spent and Committed to date in 2016	Contract Expenditures 2016	Remaining 2016 Budget
<b>Amtrak Contract Budget</b>				
Vehicle Maintenance	10,575	-	10,046	529
Other Contract Maintenance	3,513	-	N/A	3,513
<b>Subtotal, Contract Maintenance</b>	<b>14,088</b>	<b>-</b>	<b>10,046</b>	<b>4,042</b>
Fuel and Spare Parts	6,325	-	6,009	316
Other Materials and Supplies	424	-	N/A	424
<b>Subtotal, Materials and Supplies</b>	<b>6,749</b>	<b>-</b>	<b>6,009</b>	<b>740</b>
Share Facilities Utilities	101	-	101	-
Other Utilities	230	-	N/A	230
<b>Subtotal, Utilities</b>	<b>331</b>	<b>-</b>	<b>101</b>	<b>230</b>
<b>Total, Amtrak Contract Budget</b>	<b>17,001</b>	<b>-</b>	<b>16,156</b>	<b>845</b>

Contract Spending Plan	Prior Year(s) Spending	2016 Spending	Future Expenditures	Total
Amtrak	151,114	16,156	-	167,270
<b>Total Spending</b>	<b>151,114</b>	<b>16,156</b>	<b>-</b>	<b>167,270</b>

Contract Budget	Current Approved Contract Value	Committed to Date	Proposed Action	Total Contract Value
Amtrak	189,739	151,114	18,377	208,116
Contingency	-	-	-	-
<b>Total Contract</b>	<b>189,739</b>	<b>151,114</b>	<b>18,377</b>	<b>208,116</b>
<b>Percent Contingency</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

Notes:

Amounts are expressed in Year of Expenditure \$000.

Souder Contract Maintenance, Materials/Supplies and Utilities budget can be found on page 36 of the 2016 Proposed Budget book.

**Summary for Board Action (X \$1,000)**

	Proposed 2016 Budget	Spent and Committed to date in 2016	Contract Expenditures 2016	Remaining 2016 Budget
<b>Amtrak Contract Budget</b>				
Vehicle Maintenance	10,575	-	9,518	1,057
Other Contract Maintenance	3,513	-	N/A	3,513
<i>Subtotal, Contract Maintenance</i>	<i>14,088</i>	<i>-</i>	<i>9,518</i>	<i>4,570</i>
Fuel and Spare Parts	6,325	-	6,009	316
Other Materials and Supplies	424	-	N/A	424
<i>Subtotal, Materials and Supplies</i>	<i>6,749</i>	<i>-</i>	<i>6,009</i>	<i>740</i>
Share Facilities Utilites	101	-	100	1
Other Utilities	230	-	N/A	230
<i>Subtotal, Utilities</i>	<i>331</i>	<i>-</i>	<i>100</i>	<i>231</i>
<b>Total, Amtrak Contract Budget</b>	<b>17,001</b>	<b>-</b>	<b>15,627</b>	<b>1,374</b>

Contract Spending Plan	Prior Year(s) Spending	2016 Spending	Future Expenditures	Total
Amtrak	91,251	15,627	-	106,878
<b>Total Spending</b>	<b>91,251</b>	<b>15,627</b>	<b>-</b>	<b>106,878</b>

Contract Budget	Current Approved Contract Value	Committed to Date	Proposed Action	Total Contract Value
Amtrak	132,934	89,309	942	132,934
Contingency	-	-	-	-
<b>Total Contract</b>	<b>132,934</b>	<b>89,309</b>	<b>942</b>	<b>132,934</b>
<b>Percent Contingency</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

Notes:

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**SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION**

Sound Transit promotes and encourages small business participation, which also includes Disadvantaged Business Enterprises (DBEs). Small Business and DBE goals are based upon an examination of subcontracting opportunities contained in the work of this contract and the number of Small Businesses/DBEs available to perform such subcontracting work.

Amtrak will perform the majority of the work covered under this agreement with its own work force and will continue to comply with federally mandated DBE requirements as well as Sound Transit DBE and Small Business goals to the extent practicable and consistent with Federal law.

Amtrak has a staff consisting of 39.7% minorities and 23.6% women. Except for management, Amtrak is a fully unionized work force.

## PUBLIC INVOLVEMENT

Not applicable to this action.

## TIME CONSTRAINTS

A one month delay could affect the ability of Sound Transit to exercise this option year.

## PRIOR BOARD/COMMITTEE ACTIONS

Motion No. M2014-71: Authorized the chief executive officer to exercise the option to extend the agreement with the National Railroad Passenger Corporation for one two-year term for the continued maintenance of Sounder locomotives and cars, which includes the cost of fuel, in an amount not to exceed \$35,288,262 for a new total authorized amount not to exceed \$189,739,634.

Motion No. M2013-19: Authorized the chief executive officer to execute an amendment to an agreement with the National Railroad Passenger Corporation (Amtrak) to provide signal maintenance services at King Street Station in the amount of \$192,372, for a new total authorized agreement amount not to exceed \$154,451,372.

Motion No. M2010-28: Authorized the chief executive officer to execute an amended agreement with the National Railroad Passenger Corporation (Amtrak) for the continued maintenance of rolling stock, including the cost of fuel, for five years with one two-year option to extend and up to three one-year options to extend in an amount not to exceed \$84,509,000 for a new total authorized agreement amount not to exceed \$154,259,000.

Resolution No. R99-10: Authorized the Executive Director to execute a sole source, fixed-price contract in the amount of \$5,900,000 per year with Amtrak for maintenance of the Sounder commuter rail fleet; an additional ten percent (10%) allowance (\$590,000) for activities outside the scope of the fixed-price activities; and up to five percent (5%) of the fixed-price contract reserve for operation of "special trains" not to exceed \$295,000 per year.

## ENVIRONMENTAL REVIEW

JI 11/24/2015

## LEGAL REVIEW

JW 11/24/2015

## **MOTION NO. M2015-116**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to exercise the option to extend the agreement with the National Railroad Passenger Corporation (Amtrak) for a one-year term for the continued maintenance of Sounder locomotives and cars, which includes the cost of fuel, in an amount not to exceed \$18,377,778 for a new total authorized amount not to exceed \$208,117,012.

### **BACKGROUND:**

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The agreement amount includes fuel for Sounder's locomotives (approximately 1.3-million gallons per year). Fuel accounts for approximately twenty-five percent of the annual amount spent on this agreement.

The proposed action will be funded from the annual Sounder operating budget.

**MOTION:**

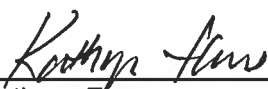
It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to exercise the option to extend the agreement with the National Railroad Passenger Corporation (Amtrak) for a one-year term for the continued maintenance of Sounder locomotives and cars, which includes the cost of fuel, in an amount not to exceed \$18,377,778 for a new total authorized amount not to exceed \$208,117,012.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on December 17, 2015.



Dow Constantine  
Board Chair

ATTEST:



Kathryn Flores  
Board Administrator