

RESOLUTION NO. R2017-15

Amend the ST2 Light Rail Vehicle Fleet Expansion Project Baseline Budget and Revise the Project Name

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Capital Committee	4/13/2017	Recommendation to Board	Ahmad Fazel, DECM Executive Director
Board	4/27/2017	Final Action	Tracy Reed, Executive Project Director, OMF East/Light Rail Vehicles

PROPOSED ACTION

(1) Amends the ST2 Light Rail Vehicle Fleet Expansion project baseline budget to allow for the procurement of 30 additional light rail vehicles by: (a) increasing the baseline budget by \$7,712,000 from \$733,006,000 to \$740,718,000; and; (b) increasing the 2017 Annual Budget by \$12,400,000 from \$59,534,335 to \$71,934,335; and (2) adopts Light Rail Vehicle Fleet Expansion as the new project name.

KEY FEATURES SUMMARY

- The proposed action amends the baseline budget to fund the option with Siemens Industry, Inc. for the procurement of 30 additional light rail vehicles (LRVs).
- The increased funds will provide for project management, design, manufacturing, delivery, assembly, inspection, and testing of LRVs to support revenue service of the Sound Transit 2 light rail expansion projects, and Link extensions to Federal Way and downtown Redmond.
- The addition of 30 LRVs to the previously baselined quantity of 122 LRVs will bring the total light rail fleet to 214 vehicles.
- The project completion milestone of September 2024 is unchanged.
- The project name will be revised to Light Rail Vehicle Fleet Expansion project under this proposed action.
- A separate action is being brought (Motion No. M2017-50) to exercise the option with Siemens Industry, Inc. for the additional 30 LRVs in order to secure lower pricing.
- The Rail Fleet Management Plan is being updated to evaluate potential future needs for an increased fleet size to accommodate ridership growth.

BACKGROUND

Voters approved the Sound Transit 2 (ST2) package in November 2008, which included light rail expansion to Northgate, Lynnwood, Redondo/Star Lake area in Federal Way, and Overlake Station in Redmond, as well as the LRV fleet expansion necessary to operate those extensions. Voters approved the Sound Transit 3 (ST3) measure in November 2016 which included delivery of the light rail extensions all the way to Federal Way Transit Center and downtown Redmond.

The ST2 Light Rail Vehicle Fleet Expansion project established by Resolution No. R2015-24 provides project management, design, manufacturing, delivery, assembly, inspection, and testing for a procurement of 122 low floor LRVs to meet fleet requirements and support revenue service of the ST2 light rail expansion projects; and centralized procurement of the LRVs for Northgate Link Extension, Lynnwood Link Extension and East Link Extension into one project.

This amendment is necessary to complete the procurement and delivery of 30 additional LRVs.

Delivery of the 30 additional vehicles will be sequenced for production and delivery immediately following the previously baselined production phase in support of the Lynnwood Link Extension to ensure that each option vehicle is fully tested and delivered to meet the 8-minute peak headway requirements called for to open the Federal Way and downtown Redmond Link Extension projects. This amendment does not necessarily address the potential future need for an increased fleet size to accommodate ridership growth. The Rail Fleet Management Plan is currently being updated to evaluate such needs.

Notice to Proceed (NTP) with the LRV fleet expansion contract with Siemens Industry, Inc. was issued on September 27, 2016, before the voters approved the ST3 plan.

PROJECT STATUS

Project Identification	Alternatives Identification	Conceptual Engineering	Preliminary Engineering	Final Design	Construction
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Projected Delivery Date for the first LRV and beginning of acceptance testing: 2Q 2015
 Project scope, schedule and budget summary located on 77 of the January 2017 Agency Progress Report.

FISCAL INFORMATION

The amendment increasing the baseline budget for the LRV Fleet Expansion project is fully affordable within the agency financial plan. There are sufficient funds remaining to fund the remaining planned LRV purchases contained within the ST3 LRV fleet expansion plan.

The proposed action increases the project baseline budget by \$7,712,000 from \$733,006,000 to \$740,718,000 and increases the 2017 Annual Budget by \$12,400,000 from \$59,534,335 to \$71,934,335.

The increase to the baseline budget to procure 30 additional light rail vehicles is \$7,712,000. The total cost to procure the additional light rail vehicles, including agency administration and construction services, is estimated to be \$137,207,275; however this is offset by \$129,495,275 budget savings realized in procurement of the original 122 light rail vehicles for the ST2 fleet expansion.

Light Rail Vehicle Fleet Expansion

(in thousands)

Phase	Annual Project Budget			Authorized Project Allocation to Date		
	Adopted 2017 Annual Project Budget	Budget Revision	Revised 2017 Annual Project Budget	Baseline Budget (Current)	Budget Change	Baseline Budget (New)
Agency Administration	\$451	\$	\$451	\$4,748	\$1,619	\$6,367
Preliminary Engineering						
Final Design						
Third Party Agreements						
Right of Way						
Construction						
Construction Services	1,217		1,217	14,090	3,950	18,040
Vehicles	57,867	12,400	70,267	714,168	2,143	716,311
Contingency						
Total	\$59,534	\$12,400	\$71,934	\$733,006	\$7,712	\$740,718

Notes:

Amounts are expressed in Year of Expenditure.
 For detailed project information, see page 22 in the Adopted 2017 Transit Improvement Plan.

SMALL BUSINESS/DBE PARTICIPATION

Not applicable to this action.

PUBLIC INVOLVEMENT

Not applicable to this action.

PRIOR BOARD/COMMITTEE ACTIONS

Resolution R2015-24: (1) Adopted the ST2 Light Rail Vehicle Fleet Expansion project baseline schedule and budget by (a) adopting September 2024 as the project completion milestone, (b) adopting the Project Lifetime Budget of \$733,006,000 and (c) adopting the 2015 Annual Budget of \$1,036,750; and (2) approved Gates 1 through 6 within Sound Transit’s Phase Gate process.

TIME CONSTRAINTS

Timely action on this item is required to guarantee the option pricing on the 30 additional LRVs. After May 15, 2017, higher unit prices and escalation will apply.

ENVIRONMENTAL REVIEW

JI 3/24/2017

LEGAL REVIEW

AJP 4/7/2017

RESOLUTION NO. R2017-15

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority (1) Amending the ST2 Light Rail Vehicle Fleet Expansion project baseline budget to allow for the procurement of 30 additional light rail vehicles by (a) increasing the baseline budget by \$7,712,000 from \$733,006,000 to \$740,718,000 and (b) increasing the 2017 Annual Budget by \$12,400,000 from \$59,534,335 to \$71,934,335; and (2) adopting Light Rail Vehicle Fleet Expansion as the new project name.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under chapters 81.104 and 81.112 RCW 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, and November 8, 2016 voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, the Sound Transit 2 plan approved light rail extensions to Northgate, Lynnwood, and East to Overlake Transit Center, and the Sound Transit 3 plan approved extensions to Redmond and Federal Way as well as the light rail vehicle fleet necessary to operate these extensions; and

WHEREAS, a baseline budget was previously established for procurement of 122 light rail vehicles in Resolution R2015-24; and

WHEREAS, following the procurement authorized under Motion No. M2016-101 for 122 light rail vehicles for the ST2 fleet expansion, Sound Transit realized \$129,495,275 in budget savings; and

WHEREAS, delivery of the 30 additional vehicles will be sequenced for production and delivery to ensure that each option vehicle is fully tested and delivered to meet the 8-minute peak headway requirements called for to open the Federal Way and downtown Redmond Link Extension projects; and

WHEREAS, the total cost to procure the additional light rail vehicles, including agency administration and construction services, is estimated to be \$137,207,275; and

WHEREAS, an increase to the baseline budget of \$7,712,000 and 2017 annual budget of \$12,400,000 is needed to provide for project management, design, manufacturing, delivery, assembly, inspection, and testing of light rail vehicles to support revenue service of the Sound Transit 2 light rail expansion projects, and Link extensions to Federal Way and downtown Redmond; and

WHEREAS, the 30 additional light rail vehicles will be received by September 2024; and

WHEREAS, a two-thirds affirmative vote of the entire membership of the Sound Transit Board is required to revise the Adopted 2017 Budget.

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

Section 1: The ST2 Light Rail Vehicle Fleet Expansion project baseline budget is amended to allow for the procurement of 30 additional light rail vehicles by (a) increasing the baseline budget by \$7,712,000 from \$733,006,000 to \$740,718,000 and (b) increasing the 2017 Annual Budget by \$12,400,000 from \$59,534,335 to \$71,934,335.

Section 2: Light Rail Vehicle Fleet Expansion is adopted as the new project name.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on April 27, 2017.



Marilyn Strickland
Board Vice Chair

ATTEST:



Kathryn Flores
Board Administrator