



Motion No. M2019-116

Amendment for Sounder Commuter Rail Rolling Stock Maintenance Agreement

Meeting:	Date:	Type of action:	Staff contact:
Rider Experience and Operations Committee	12/05/2019	Recommend to Board	Bonnie Todd, Executive Director, Operations
Board	12/19/2019	Final action	Robin Braziel, Director, Bus, Rail and Paratransit Martin Young, Sounder Operations Manager

Proposed action

Authorizes the chief executive officer to execute an amendment to the Commuter Rail Rolling Stock Maintenance Agreement with the National Railroad Passenger Corporation for the additional scope of Positive Train Control maintenance on Sounder locomotives and cab cars, in an amount not to exceed \$664,580 for a new total authorized agreement not to exceed \$289,240,511.

Key features summary

- This action authorizes the National Railroad Passenger Corporation (Amtrak) to inspect, maintain and repair the on-board Positive Train Control (PTC) equipment on Sounder vehicles.
- Amtrak will be responsible for PTC training of Amtrak management, technicians and related staff.
- The additional cost to Sound Transit will be paid to Amtrak in the form of a \$4.39 increase in the daily base rate (from \$424.61 to \$429.00 per unit in 2019), estimated at \$115,369 per year, plus an additional reserve for repairs and spare parts, totaling \$295,369 per year.
- The total authorized amount covers the fourth quarter of 2019 and the two remaining years of the base term of the contract, through December 31, 2021.
- The amendment clarifies a legal understanding concerning liability assignment among the parties, as Sound Transit and third party personnel are having an increased need to be on Amtrak property to perform ad hoc and routine IT maintenance work.
- The amendment also clarifies the understanding concerning the need for Sound Transit access to the Amtrak Service Facilities to include only personnel with Blue Flag (safety) training or be escorted by Amtrak staff that are Blue Flag trained.

Background

Amtrak has maintained the Sounder fleet under the current agreement for 19 years. In 2010 an 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. That agreement amendment also extended the term through 2016.

In 2016 another amended agreement authorized by the Board through Motion No. M2016-111, the contract term implemented a five year extension, beginning 2017, with three one-year options. That

amended agreement also reflected minor cost adjustments related to G&A (general and administrative) expense rate and a discounted base rate with inflation adjustments as well as a payment for shared facilities cost that more closely aligned with Sound Transit use.

In 2017 Sound Transit began working with Amtrak to define the work scope for the ST requested PTC maintenance services on equipment associated with implementing the PTC project underway on Sounder commuter rail. Until 4Q2019, the equipment has been under warranty from its manufacturer, and PTC equipment has been largely maintained by the vendor and ST engineering staff. After careful review, ST concluded the most efficient way to have the on-board equipment maintained would be through Amtrak, who already is routine inspection and maintenance of the entire Sounder fleet, and their proposal has been deemed fair and reasonable.

Sounder implemented PTC on the BNSF owned corridor between Everett and Tacoma in 2017 and completed the implementation on the ST owned Lakewood Subdivision in February 2018. While Amtrak and ST agreed to basic concepts of PTC inspection and maintenance services on Sounder equipment in 2017, the implementation of the actual maintenance was delayed, due in part to the readiness of the equipment as it was still being calibrated and undergoing significant reliability improvement through a transition process during the warranty period; it was therefore mutually determined that the PTC maintenance should commence when both a refined scope of work and readiness was complete, as it is now being considered.

Under the amendment, Amtrak will provide daily inspections, maintain equipment as required, and provide repairs as needed in coordination with ST, BNSF and the manufacturer, Wabtec.

PTC reliability and Amtrak performance will continue to be reviewed in regular maintenance and operational meetings related to Sounder service, including safety meetings, monthly performance review meetings, and semi-annual contract performance meetings.

Sounder PTC inspection and maintenance services are performed at the Amtrak Holgate Yard near King Street Station and at the end of the line layover facilities in Lakewood and Everett.

Fiscal information

The proposed action will amend the current contract by \$664,580, of which \$73,842 will be spent in 2019, for a new total authorized contract amount not to exceed \$289,240,511 and will be funded from the Services category within the Operations department's annual operating budget. The Services category budget is \$76,836,777, of which a total \$16,091,784 is estimated to be spent for the contract in 2019 (YTD spending of \$13,335,978 and estimated spending for the rest of 2019 of \$2,755,806) and is within the agency's budget authority. After approval of this action, the remaining annual budget amount will be used to fund other department expenditures anticipated in the 2019 annual budget.

Funding the additional years of the contract will be included in future annual budget requests.

Operations
(in thousands)

Cost Category	2019 Annual Operating Budget ¹	YTD Actuals ²	This Action (Current Year Impact Only)	YTD Actuals Plus Action (Current Year Only)	Remaining Annual Operating Budget
Salaries and Benefits	\$23,515	\$20,472	\$	\$20,472	\$3,043
Services	76,837	54,297	74	54,371	22,466
Materials and Supplies	11,313	9,668		\$9,668	1,645
Utilities	5,868	4,888		\$4,888	980
Insurance		-1,051		-\$1,051	1,051
Taxes	2,975	2,482		\$2,482	493
Purchased Transportation Services	196,186	162,434		\$162,434	33,752
Miscellaneous	567	365		\$365	202
Leases and Rentals	8,735	7,902		\$7,902	833
Total Annual Operating Budget	\$325,995	\$261,457	\$74	\$261,531	\$64,465

Contract Spending Plan	Spending to Date ³	Forecasted Spend for Remainder of 2019	Proposed Future Spending	Total
National Railroad Passenger Corporation	\$233,586	\$2,756	\$52,898	\$289,241

Contract Detail	Board Approved Contract Value	Proposed Action	Proposed Total for Board Approval
National Railroad Passenger Corporation	\$288,576	\$665	\$289,241
Contingency			
Estimated Taxes			
Contract Amount - Total	\$288,576	\$665	\$289,241
Percent Contingency	0%	0%	0%

Notes:

¹ 2019 Annual Operating Budget is located on page 135 of the 2019 Adopted Budget book.

² YTD Actuals as of October 31, 2019.

³ Spending to Date as of October 31, 2019.

Disadvantaged and Small business participation

Not Applicable this action.

Public involvement

Not applicable to this action.

Time constraints

A one-month delay would not create a significant impact to Sounder Operations.

Prior Board/Committee actions

Motion No. M2016-111: Authorizing the chief executive officer to execute a five-year extension , with three one-year options, to the agreement with the National Railroad Passenger Corporation (Amtrak) for the continued maintenance of Sounder locomotives and cars, including the cost of fuel, in an amount not to exceed \$80,458,919 for a new total authorized agreement amount not to exceed \$288,575,931.

Motion No. M2015-116: Authorizing the chief executive officer to exercise the option to extend the agreement between Sound Transit and the National Railroad Passenger Corporation (Amtrak) for the 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.

Motion No. M2014-71: Authorizing 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: Authorizing 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: Authorizing 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: Authorizing 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 – KH 11/26/19

Legal review – JW 11/27/19



Motion No. M2019-116

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute an amendment to the Commuter Rail Rolling Stock Maintenance Agreement with the National Railroad Passenger Corporation for the additional scope of Positive Train Control maintenance on Sounder locomotives and cab cars, in an amount not to exceed \$664,580 for a new total authorized agreement not to exceed \$289,240,511.

Background

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Motion

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute an amendment to the Commuter Rail Rolling Stock Maintenance Agreement with the National Railroad Passenger Corporation for the additional scope of Positive Train Control maintenance on Sounder locomotives and cab cars, in an amount not to exceed \$664,580 for a new total authorized agreement not to exceed \$289,240,511.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on December 19, 2019.



John Marchione
Board Chair

Attest:



Kathryn Flores
Board Administrator