

## **MOTION NO. M2014-71**

### **Agreement extension with Amtrak for Sounder Fleet Maintenance**

<b>MEETING:</b>	<b>DATE:</b>	<b>TYPE OF ACTION:</b>	<b>STAFF CONTACT:</b>
Operations and Administration Committee	10/02/2014	Recommendation to Board	Bonnie Todd, Executive Director of Operations
Board Meeting	10/23/2014	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 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.

### **KEY FEATURES SUMMARY**

- This action exercises an option included in the agreement between Sound Transit and the National Railroad Passenger Corporation (Amtrak) for maintenance of Sounder locomotives and cars that was authorized by the Board in 2010 through Motion No. M2010-28.
- The 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 additional cab cars on order as part of ST2 fleet expansion.
- The agreement amount also includes fuel for Sounder's locomotives (approximately one-million gallons per year). Fuel accounts for approximately thirty 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. Under this proposed motion exercising the first 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 the Sounder commuter rail service. Amtrak also will provide maintenance services for "event trains" and any support requested by Sound Transit necessary to resolve emergency situations.

Sounder 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 Sounder fleet and participates in regular maintenance and operational meetings related to Sounder service, including safety meetings, monthly performance review meetings, and semi-annual contract performance meetings.

## FISCAL INFORMATION

The proposed action has no effect on the 2014 operating budget. This action extends an existing agreement which is funded annually as part of the Sounder operating budget and will continue over the life of the agreement.

Contract activity for 2015 has been anticipated and included in 2015 proposed budget to be presented during the 4<sup>th</sup> Quarter for approval by the Board in December.

The budget table shown below provides for reference the 2014 budget status and the increase of the total contract value to \$189.7M.

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

Sounder Budget	Adopted 2014 Budget	Spent and Committed to Date in 2014	Contract Expenditures 2014	Remaining 2014 Budget
Vehicle Maintenance	9,794	6,351	3,434	9
Materials and Supplies (Fuel and Parts)	6,514	4,150	2,362	2
Other Materials and Supplies	467	\$ 67	\$ 34	366
<i>Subtotal, Materials and Supplies</i>	<i>6,981</i>	<i>4,217</i>	<i>2,396</i>	<i>368</i>
Shared Facilities Utilities	132	\$ 49	\$ 35	\$ 48
Other Utilities	880	495	367	18
<i>Subtotal, Utilities</i>	<i>1,012</i>	<i>544</i>	<i>402</i>	<i>66</i>
Total, Vehicle Maintenance, Supplies, and Shared Facilities Utilities	\$ 16,440	\$ 10,550	\$ 5,831	59

Contract Spending Plan	Prior Year(s) Spending	2014 Spending	Future Expenditures	Total
Amtrak	\$ 128,758	\$ 16,381	\$ 44,601	\$ 189,740

Contract Budget	Current Approved Contract Value	Committed to Date	Proposed Action	Total Contract Value
Amtrak	154,451	145,701	35,288	189,740
Contingency	-	-	-	-
Total Contract	\$ 154,451	\$ 145,701	\$ 35,288	\$ 189,740
Percent Contingency	0%	0%	0%	0%

#### Notes:

Amounts are expressed in Year of Expenditure \$000s.

Committed to-date = prior year(s) spending + current year

Sounder Vehicle Maintenance, Materials/Supplies and Utilities budgets can be found on page 43 of the 2014 Adopted Budget book.

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

### **Participation by Small Businesses and Disadvantaged Business Enterprises (DBEs)**

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.

### Equal Employment Workforce Profile

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 would not create a significant impact to the project schedule.

## **PRIOR BOARD/COMMITTEE ACTIONS**

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**

Jl 8/20/2014

## **LEGAL REVIEW**

JW 9/26/2014

## **MOTION NO. M2014-71**

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 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.

### **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. Under this proposed motion exercising the first 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 the Sounder commuter rail service. Amtrak also will provide maintenance services for "event trains" and any support requested by Sound Transit necessary to resolve emergency situations.

The agreement covers Sounder's 14 locomotives and 58 cars as well as nine additional cab cars on order as part of ST2 fleet expansion. The agreement amount also includes fuel for Sounder's locomotives (approximately one-million gallons per year). Fuel accounts for approximately thirty percent of the annual amount spent on this agreement.

Sounder 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 Sounder fleet and participates in regular maintenance and operational meetings related to Sounder service, including safety meetings, monthly performance review meetings, and semi-annual contract performance meetings.


**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 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.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on October 23, 2014.

  
\_\_\_\_\_  
Paul Roberts  
Board Vice Chair

ATTEST:

  
\_\_\_\_\_  
Marcia Walker  
Board Administrator