

STAFF REPORT

SOUND TRANSIT MOTION NO. M2001-72

Sounder Agreement to Allow CalTrain to Take Earlier-Delivered Equipment

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	8/2/01	Canceled	Noel Peck, Sounder	(206) 398-5115
Board	8/9/01	Action	Program Manager	

PROPOSED ACTION

The proposed action would authorize the Executive Director to negotiate and execute necessary agreement(s) to allow a like-kind exchange with CalTrain of seven cab cars and ten coaches (17 Bombardier bi-level cars), and five locomotives from Electro Motive Division of General Motors (EMD) from Sounder Commuter Rail equipment that is in excess of what is required to provide Sounder service at current levels, provided such agreements cover all costs associated with the equipment, including but not limited to increases in the price of this equipment.

KEY FEATURES

Highlights of Proposed Action:

- ◆ Provides authority for the Executive Director to negotiate and execute necessary agreement(s) to allow a like-kind exchange with CalTrain for equipment originally scheduled to be delivered to Sound Transit.
- ◆ Reduces expense to Sound Transit for storage and maintenance of cars, cab cars and locomotives, estimated to be \$593,000.
- ◆ Reduces expense to Sound Transit for insurance and indemnification of equipment.
- ◆ Provides opportunity for equipment to be in Sound Transit service during warranty period, substantially reducing future risks.

DISCUSSION

Sound Transit placed orders for cars, cab cars and locomotives to serve the Sounder Commuter Rail line based upon plans to have capacity for full service of 18 trips per day with 14 stations open by 2002. Due to schedule change at the manufacturer, 13 cars, 13 cab cars and six locomotives were manufactured four months ahead of schedule. Options to the contract authorized by Resolution No. R98-25 were approved by the Board (Motion No. M99-72 and Motion No. M99-81) requiring Sound Transit to take delivery of an additional 27 cars and five cab cars starting July 1, 2001, as well as five locomotives in September and October of 2001 (Motion No. M99-82).

The schedule for opening stations and adding trips has been delayed since the original orders for equipment were placed with Bombardier. Loss of funds due to implementation by the

Legislature of the voter-approved I-695 played a major role in delaying commuter rail station openings. Other factors contributing to delays in opening stations and Sound Transit's ability to increase the trips-per-day schedule are: protracted permitting processes (such as the listing of salmon under the Endangered Species Act), lengthy negotiations with government entities from municipal to national levels, and lengthy negotiations with Burlington Northern Santa Fe Railway for right of way and track and signal improvements, also affected by I-695. These delays have postponed the need for additional equipment.

Staff's proposed plan will minimize the expense arising from delays. Deal points include:

- ◆ Ensuring that both Bombardier and EMD can back fill the order in early 2003 when the equipment will be needed according to projected increased service levels.
- ◆ Ensure all cost for the new and present order, i.e. engineering, FRA Tier 1 requirements, consulting for QAQC, inspections and delivery would be covered.
- ◆ The exchange of the equipment would be solely between the two transit agencies and warranty for the vehicles would be transferred to CalTrain.
- ◆ The order to replace the equipment would be made by Sound Transit, exercising a five-year option for equipment orders under the current contract.

This proposed action provides the Executive Director with authority needed to execute this agreement exchange between the two agencies which will allow for exchanged delivery dates of equipment. Additional approval is required from the Federal Transit Administration (FTA). A copy of a letter dated June 14, 2001, stating the FTA's concurrence is attached. The FTA is a strong advocate of cooperation among transit agencies within the United States, as well as between the United States and other nations. Details regarding Federal funding need to be worked out before the exchange can be finalized. An estimated timeline, based on currently available information for the leasing of the coaches and cab cars is shown in the following table:

Time (Quarter)	Cars Needed (Sunder Service)	Cars in Yard (Delivered & Accepted)	Available (for lease/ exchanges)
4th / 2001	16	26	10
1st / 2002	16	40	24
2nd / 2002	21	58	37
3rd / 2002	21	58	37
4th / 2002	21	58	37
1st / 2003	34	58	24
2nd / 2003	34	58	24
3rd / 2003	34	58	24
4th / 2003	40	58	18
1st / 2004	48	58	10
2nd / 2004	48	58	10
3rd / 2004	48	58	10
4th / 2004	58	58	0

An alternative timeline, based on currently available information, is shown in the following table:

Time (Quarter)	Cars Needed (Sounder Service)	Cars in Yard (Delivered & Accepted)	Available (for lease/ exchanges)
4th / 2001	16	26	10
1st / 2002	16	41	25
2nd / 2002	21	41	20
3rd / 2002	21	41	20
4th / 2002	21	41	20
1st / 2003	34	41	7
2nd / 2003	34	58	24
3rd / 2003	34	58	24
4th / 2003	40	58	18
1st / 2004	48	58	10
2nd / 2004	48	58	10
3rd / 2004	48	58	10
4th / 2004	58	58	0

BUDGET

There are no anticipated costs requiring budget approval associated with this action that would be included in the current staff administrative budgets. Rather than requiring budget, this action will generate savings of \$593,000 due to avoided storage costs. Any incidental costs related to the transactions (delivery of vehicles, associated maintenance/repairs, increased cost of equipment) would be borne by CalTrain.

ALTERNATIVES

- (1) Accept delivery of the equipment as scheduled and store at the King Street maintenance facility at minimal cost.

Not Recommended: Would not allow Sound Transit to “break in” the equipment during the warranty period.

- (2) Attempt to negotiate with manufacturer for later delivery dates.

Not Recommended: If manufacturer were to agree to this, the cost to store the equipment would be passed on to Sound Transit.

CONSEQUENCES OF DELAY

A minor delay while the Board considers this motion would not have a significant impact. Protracted delay might diminish the opportunity to lease Sounder equipment under terms most favorable to Sound Transit.

REGIONAL PARTNERSHIP AND COOPERATION

Allowing another public transportation entity to benefit from an earlier delivery of rolling stock is viewed by FTA and others as a good example of partnership and cooperation on a national and international level.

PUBLIC INVOLVEMENT

This board action does not lend itself to a local public involvement effort.

LEGAL REVIEW

MBL 7/23/01

SOUND TRANSIT

MOTION NO. M2001-72

A motion of the Board of Directors of the of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to negotiate and execute necessary agreement(s) allowing the like-kind exchange and/or assignment of contract purchase rights to CalTrain for seven cab cars and ten coaches (17 Bombardier bi-level cars), and five locomotives from the Electro Motive Division of General Motors (EMD) for equipment originally scheduled to be delivered to Sound Transit beginning in July of 2001.

Background:

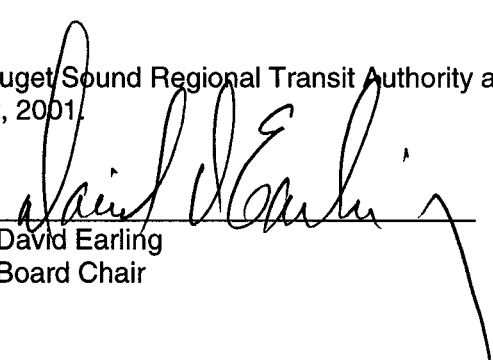
Sound Transit placed orders for cars, cab cars and locomotives to serve the Sounder Commuter Rail line based upon plans to have capacity for full service of eighteen trips per day with 14 stations open by 2002. Due to schedule change at the manufacturer, 13 cars, 13 cab cars and six locomotives were manufactured four months ahead of schedule. Options to the contract authorized by Resolution No. R98-25 were approved by the Board (Motion No. M99-72 and Motion No. M99-81) requiring Sound Transit to take delivery of an additional 27 cars and five cab cars starting July 1, 2001, as well as five locomotives in September and October of 2001 (Motion No. M99-82).

Since the original orders for equipment were placed with Bombardier, the schedule for opening stations and adding trips has been delayed. Loss of funds due to implementation by the Legislature of the voter-approved I-695 played a major role in delaying commuter rail station openings. Other factors contributing to delays in opening stations and increasing the trips-per-day schedule are protracted permitting processes (such as the listing of salmon under the Endangered Species Act), and with lengthy negotiations with government entities from municipal to national levels, and lengthy negotiations with Burlington Northern Santa Fe Railway for right of way and track and signal improvements. These delays have postponed the need for additional equipment, making it more costly to take possession of equipment based on original plans for phasing in commuter rail service.


Motion:

It is hereby moved that the Executive Director is authorized to negotiate and execute necessary agreement(s) for the like-kind exchange and/or assignment of contract purchase rights to CalTrain for seven cab cars and ten coaches (17 Bombardier bi-level cars), and five locomotives from the Electro Motive Division of General Motors (EMD) for equipment originally scheduled to be delivered to Sound Transit beginning in July of 2001. Such agreements shall cover all costs associated with the equipment including, but not limited to, increases in the price of this equipment.

APPROVED by the Board of Directors of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on the 9th day of August, 2001.


David Earling
Board Chair

ATTEST:


Marcia Walker
Board Administrator