



RESOLUTION NO. R2011-01

Amend the Budget for the ST Express Fleet Replacement Project

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Operations and Administration Committee	1/20/11	Recommendation to Board	Bonnie Todd, Executive Director of Operations	206-398-5367
Board	1/27/11	Not Acted Upon	Dave Turissini, Bus Operations Manager	206-398-5035
Board	2/24/11	Final Action		

PROPOSED ACTION

1) Amending the Adopted Lifetime Budget for the ST Express Fleet Replacement project from \$136,690,077 to \$141,490,077 and 2) amending the Adopted 2011 Annual Budget for the ST Express Fleet Replacement project from \$22,705,465 to \$30,860,465.

KEY FEATURES

- This resolution will allow Sound Transit, through two separate Board actions today, to procure 24 forty-foot hybrid buses for delivery in 2012 and 10 sixty-foot clean diesel buses for delivery in 2011.
- This resolution is made up of two parts: 1) increase the lifetime budget for the ST Express Fleet Replacement Project and 2) increase the cash flow in 2011 with no change to the lifetime budget.
- The first part of this resolution will increase the lifetime budget by \$4,800,000 to reflect the cost difference between hybrid and diesel buses. The 24 forty-foot hybrid buses, to be procured through separate action today, will be funded in part by Federal Transit Administration grants that are specifically applicable to hybrid buses.
- The second part of this resolution will increase the 2011 annual cash flow budget by \$8,155,000 to meet a schedule change in the delivery of buses. The 10 sixty-foot, clean diesel buses, to be procured through separate action today, were originally scheduled to be delivered and purchased in 2012, but instead will be delivered and purchased in 2011. There is no change to the lifetime budget as a result of this schedule change.

PROJECT DESCRIPTION

The ST Express Fleet Replacement Program funds the necessary bus replacement for the ST Express Fleet.

The Federal Transit Administration’s guideline for bus replacement is 12 years or 500,000 miles. All of the buses to be replaced exceed 500,000 miles and 12 years. The average mileage on these coaches is 730,000 miles. Fleet replacement decisions are made in consultation with our operating partner agencies and based on fleet performance, cost to operate, fuel efficiency, age and mileage.

Replacement of the first buses purchased for ST Express service in 1999 began in 2010. The timing of future fleet acquisitions will be defined in future Service Implementation Plans.

FISCAL INFORMATION

Phase	2011 Annual Budget			Lifetime Budget		
	2011 Adopted Project Budget	Budget Transfer	Revised 2011 Annual Budget	2011 Adopted Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Preliminary Engr / Environmental Documentation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Final Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ 22,705	\$ 8,155	\$ 30,860	\$ 136,690	\$ 4,800	\$ 141,490
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 22,705	\$ 8,155	\$ 30,860	\$ 136,690	\$ 4,800	\$ 141,490

The project can be found on page 137 of 2011 Proposed TIP budget book. The Board endorsed the 2011 TIP on December 16, 2010.

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

BACKGROUND

The original plan for ST Express fleet replacement was to purchase standard diesel coaches. Twenty-four buses that had been programmed into the fleet replacement plan as standard diesel engines will instead be buses with diesel-hybrid engines. The cost difference will be funded through two Federal Transit Administration grants specifically applicable to diesel-hybrid buses.

Operating costs for hybrids are lower than for standard diesel buses; however, based on preliminary analyses, those savings are not enough to offset the higher upfront capital costs for this purchase. Sound Transit will apply the dedicated grant funding to defray the higher capital costs. Sound Transit will continue to evaluate the total cost of ownership of hybrids and diesels to inform future purchases.

Sound Transit has been awarded \$3 million under the Federal Transit Administration's State of Good Repair grant program and \$2,270,925 under FTA Clean Fuels Grant funding program for hybrid buses for a total grant funding of \$5,270,925. Both grants will be used toward the procurement of 24 forty-foot, hybrid buses that will be operated by Pierce Transit. The buses will replace forty-foot buses that went into service in 1999 and have been operated more than 700,000 miles. The buses will be ordered this year and will be delivered in 2012 based on the manufacturer's schedule.

The increase to the 2011 annual budget will provide funding for 10 sixty-foot clean diesel Sound Transit buses that will be operated by Community Transit. The sixty-foot buses will replace forty-foot buses that went into service in 1999. Because sixty-foot buses are now being sought instead of forty-foot buses, a different manufacturer is being used for the procurement. The manufacturer selected has a shorter manufacturing time and will deliver buses in 2011 instead of 2012 as originally anticipated. Because the buses will be delivered earlier, payment will need to be made in 2011 instead of 2012.

ENVIRONMENTAL COMPLIANCE

SSK 1-14-11

PRIOR BOARD/COMMITTEE ACTIONS

Resolution No. R2010-24 – Adopting an annual budget for the period from January 1 through December 31, 2011.

TIME CONSTRAINTS

A delay beyond one month would affect Sound Transit's ability to meet planned bus replacement schedules.

PUBLIC INVOLVEMENT

Not applicable to this action.

LEGAL REVIEW

JW 1/13/11



RESOLUTION NO. R2011-01

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority 1) amending the Adopted Lifetime Budget for the ST Express Fleet Replacement project from \$136,690,077 to \$141,490,077 and 2) amending the Adopted 2011 Annual Budget for the ST Express Fleet Replacement project from \$22,705,465 to \$30,860,465.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under RCW Chapters 81.104 and 81.112 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 8, 2008, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, the Sound Transit Board has adopted financial policies to govern the financing and implementation of the regional transit system and to specify budgetary guidelines for providing subarea equity in accomplishing the same; and

WHEREAS, by Resolution No. R2010-24, the Sound Transit Board adopted the 2011 Budget on December 16, 2010; and

WHEREAS, \$4,800,000 in grant money is available to cover the cost difference between hybrid and diesel buses; and

WHEREAS, spending for a portion of the replacement ST Express Fleet Replacement project had been planned for 2012; however, the buses anticipated in 2012 will be delivered and purchased in 2011; and

WHEREAS, this budget amendment will add grant money to the lifetime budget, which will be applied to the cost difference between hybrid and diesel buses to be delivered in 2012, and transfer money anticipated for 2012 to 2011, so that bus procurements scheduled for 2012 can take place in 2011; and

WHEREAS, said budget amendment is consistent with and affordable under Board-adopted Sound Transit financial policies; and

WHEREAS, a two-thirds affirmative vote of the entire membership of the Sound Transit Board is required to amend the Adopted 2011 Budget.

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

- 1) The Adopted Lifetime Budget for the ST Express Fleet Replacement project is amended from \$136,690,077 to \$141,490,077.
- 2) The Adopted 2011 Annual Budget for the ST Express Fleet Replacement project is amended from \$22,705,465 to \$30,860,465.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on February 24, 2011.



Aaron Reardon
Board Chair

ATTEST:



Marcia Walker
Board Administrator