

MOTION NO. M2013-13
Cross Lease Agreement for Sounder

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Operations and Administration Committee	4/4/2013	Recommendation to Board	Bonnie Todd, Executive Director, Operations	206-398-5367
Board	4/25/2013	Final Action	Martin Young, Sounder Operations Manager	206-398-5115

PROPOSED ACTION

Authorizes the chief executive officer to execute a cross lease agreement between Sound Transit and the National Railroad Passenger Corporation (Amtrak) to lease each other's rolling stock (locomotives and/or passenger cars) in emergency circumstances.

KEY FEATURES SUMMARY

- The agreement would provide a legal means to allow Sound Transit and Amtrak to lease each other's available rolling stock (locomotives and/or passenger cars) in emergency circumstances.
- The agreement provides lease terms including reimbursement based on industry market rates, transportation of the rolling stock, inspection and maintenance requirements, and insurance coverage.
- The terms of the cross lease limit equipment use to within the boundaries of the states of Washington and Oregon, precluding any Sound Transit vehicles from being used on the Cascades routes that serve British Columbia.
- The agreement may be terminated by either party with 30 days written notice.

BACKGROUND

The need for sharing of equipment is rare, but when unusual circumstances arise, the parties have found it beneficial to share rolling stock due to the joint maintenance location (Holgate Yard) and the common equipment configurations. The proposed cross lease agreement provides a legal mechanism to support the sharing of equipment on those infrequent instances when it is needed.

Amtrak provides maintenance of the Sounder fleet since the program began in 2000. Amtrak has historically performed well in meeting daily Sounder equipment availability requirements.

There are rare occasions when either party may have a need for equipment due to a collision or major mechanical malfunction. This agreement would facilitate quick response to emergency requirements when that equipment is available.

Under the agreement, movement of rolling stock from Holgate Yard in Seattle to any other point of service origin is the responsibility of the lessee. Vehicles are limited to use within the boundaries of the states of Washington and Oregon, precluding any Sound Transit vehicles from being used on the Cascades routes that serve British Columbia. The lessee is responsible for required inspections and maintenance with associated costs, including fuel. Lessor will be reimbursed according to a daily rate agreed as reasonable and consistent with known industry market rates. Burden of risk and insurance is assigned to lessee.

FISCAL IMPACT

Funding for expenditures under this action will come from the Sounder Operating budget via the existing contract with Amtrak. There is no need to increase the contract amount with Amtrak since the vehicle lease would be on a as needed-basis, and the estimates are insignificant. Any revenues received by Sound Transit as lessor would be placed in miscellaneous revenue in the budget. This action is within the adopted budget.

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

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

None.

ENVIRONMENTAL REVIEW

Jl 2/25/2013

LEGAL REVIEW

JW 3/1/2013

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A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a cross lease agreement between Sound Transit and the National Railroad Passenger Corporation (Amtrak) to lease each other's rolling stock (locomotives and/or passenger cars) in emergency circumstances.

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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 a cross lease agreement between Sound Transit and the National Railroad Passenger Corporation (Amtrak) to lease each other's rolling stock (locomotives and/or passenger cars) in emergency circumstances.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on April 25, 2013.


Pat McCarthy
Board Chair

ATTEST:


Marcia Walker
Board Administrator