

MOTION NO. M2013-72

Contract for Sounder Locomotive Overhaul Services

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Operations and Administration Committee	09/05/2013	Recommend to Board	Bonnie Todd, Executive Director of Operations	206-398-5367
Board	09/26/2013	Final Action	Martin Young Sounder Operations Manager	206-398-5115

PROPOSED ACTION

Authorizes the chief executive officer to execute a contract with Electro-Motive Diesel, Inc. to provide locomotive overhaul services in the amount of \$16,717,058, with a 10% contingency of \$1,671,706, for a total authorized contract amount not to exceed \$18,388,764.

KEY FEATURES SUMMARY

- Sounder’s original eleven locomotives are between 12 and 14 years old and due for a manufacturer recommended mid-life overhaul to attain a life expectancy of 30+ years.
- This is a four-year contract for complete locomotive overhauls that include a main engine overhaul, paint and body work, truck overhaul, electronic equipment upgrade, and rebuilding of other key mechanical components.
- Two of the locomotives will have main engine upgrades to Tier 3 Environmental Protection Agency (EPA) emission standards with funding from a Puget Sound Clean Air Agency grant.
- The remaining nine locomotives will have main engine upgrades to the Tier 0+ EPA emissions standard with the ability to upgrade to Tier 3 if additional grant funding becomes available.

BACKGROUND

The Sounder Vehicle Overhaul Program was created in 2012 to fund commuter rail asset overhauls to maintain, preserve and extend the life of existing locomotive and vehicle assets. These major component overhauls included major locomotive engine overhauls, coach/cab overhauls and passenger door motor replacements.

Sounder’s fleet includes eleven F59PHI locomotives manufactured by Electro-Motive Diesel, Inc. between 1999 and 2001. The manufacturer recommends overhauls be completed on a six year cycle but due to Sounder’s less strenuous duty cycle, Sound Transit has been able to extend locomotive overhaul intervals on the main engine. Completing the work will extend the life of the locomotives for another 12-15 years and ensure a high level of service reliability. Electro-Motive Diesel, Inc. will perform the work at the Progress Rail facility located in Tacoma.

The locomotive overhaul procurement was completed by using a Request for Proposal (RFP) process. Four proposals were received and evaluated based on seven criteria including price. Electro-Motive Diesel, Inc. was selected by the evaluation team as having the best overall value to the agency. Sound Transit contractor LTK Engineering Services assisted with the project by evaluating the condition of each locomotive and in the development of the scope and estimated project cost.

Three new MPXpress MP40PH-3C locomotives manufactured by MotivePower, Inc. were added this year to meet future service expansion plans. The addition of the new locomotives will allow

one locomotive to be taken out of service at a time for overhaul work without impacting service delivery.

Sound Transit received a \$1,121,210 grant from the Puget Sound Clean Air Agency to upgrade two of the locomotives from the minimum EPA Tier 0+ requirement to the higher Tier 3 standard. The Puget Sound Clean Air Agency estimated fuel savings from the higher Tier 3 upgrade to be 2,000 gallons of fuel saved per year per locomotive as well as emission reductions.

Sound Transit will continue to seek grant funding to upgrade the nine remaining locomotives to Tier 3 emission standards. Should grant funding become available, staff would return to the Board for a budget amendment to reflect the additional grant funding and scope, as well as any additional local match.

FISCAL IMPACT

This action would be funded from the Sounder Vehicle Overhaul Program. The amended 2013 Transit Improvement Plan (TIP) for the project is \$22.5 million. Within that amount, \$18.8 million has been set aside for vehicle overhauls. YTD spending at the phase level is \$147,000. The proposed action is within the amended budget authority. The remaining budget would be used to fund other Sounder vehicle overhaul projects.

Board adoption of this action is subjected to the adoption of the budget amendment that is being concurrently submitted to the Board as Resolution No. R2013-17. The budget amendment would increase the lifetime budget of this project from \$17.4 million to \$22.5 million.

The table below shows the budget impact of the proposed action:

Project Budget

Sounder Vehicle Overhaul Project	2013 Amended TIP	Board Approvals	This Action	Board Approved Plus Action	Uncommitted/ (Shortfall)
Agency Administration	35	-	-	-	35
Preliminary Engineering	46	-	-	-	46
Final Design	338	-	-	-	338
3rd Party	-	-	-	-	-
Right of Way	0	-	-	-	-
Construction	418	487	-	487	(70)
Vehicles	21,615	1,532	18,389	19,921	1,694
Contingency	-	-	-	-	-
Total Project Budget	\$ 22,450	\$ 2,019	\$ 18,389	\$ 20,408	\$ 2,042

Phase Detail

Vehicles	21,615	1,532	18,389	19,921	1,694
Total Phase	\$ 21,615	\$ 1,532	\$ 18,389	\$ 19,921	\$ 1,694

Contract Detail

Vehicles	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
Electro-Motive Diesel, Inc.	-	-	16,717	16,717
Contingency	-	-	1,672	1,672
Total Contract Amount	\$ -	\$ -	\$ 18,389	\$ 18,389
Percent Contingency	0%	0%	10%	10%

Notes:

Amounts are expressed in Year of Expenditure \$000.

Board Approvals = Committed to-date + Contingency, and includes pending Board Actions.

Project budget is located on page 151 of the 2013 Transit Improvement Plan. The lifetime budget has been amended to reflect the Resolution 2013-Sounder Vehicle Overhaul budget amendment that is concurrently being submitted to Board for adoption.

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

EQUAL EMPLOYMENT WORKFORCE PROFILE

1,957 employees; 17.6% women; 45.5% minorities.

TIME CONSTRAINTS

A one month delay would not create a significant impact to the project schedule; however, any further delay could be problematic because the grant funded Tier 3 main engine upgrades must be completed and invoiced by September 2014 to fulfill grant requirements.

ENVIRONMENTAL REVIEW

JI 6/25/2013

LEGAL REVIEW

JW 8/30/2013

MOTION NO. M2013-72

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract with Electro-Motive Diesel, Inc. to provide locomotive overhaul services in the amount of \$16,717,058, with a 10% contingency of \$1,671,706, for a total authorized contract amount not to exceed \$18,388,764.

BACKGROUND:

The Sounder Vehicle Overhaul Program was created in 2012 to fund commuter rail asset overhauls to maintain, preserve and extend the life of existing locomotive and vehicle assets. These major component overhauls included major locomotive engine overhauls, coach/cab overhauls and passenger door motor replacements.

Sounder's fleet includes eleven F59PHI locomotives manufactured by Electro-Motive Diesel, Inc. between 1999 and 2001. The manufacturer recommends overhauls be completed on a six year cycle but due to Sounder's less strenuous duty cycle, Sound Transit has been able to extend locomotive overhaul intervals on the main engine. Completing the work will extend the life of the locomotives for another 12-15 years and ensure a high level of service reliability. Electro-Motive Diesel, Inc. will perform the work at the Progress Rail facility located in Tacoma.

This is a four-year contract for complete locomotive overhauls that include a main engine overhaul, paint and body work, truck overhaul, electronic equipment upgrade, and rebuilding of other key mechanical components. Two of the locomotives will have main engine upgrades to Tier 3 Environmental Protection Agency (EPA) emission standards with funding from a Puget Sound Clean Air Agency grant. The remaining nine locomotives will have main engine upgrades to the Tier 0+ EPA emissions standard with the ability to upgrade to Tier 3 if additional grant funding becomes available.

The locomotive overhaul procurement was completed by using a Request for Proposal (RFP) process. Four proposals were received and evaluated based on seven criteria including price. Electro-Motive Diesel, Inc. was selected by the evaluation team as having the best overall value to the agency. Sound Transit contractor LTK Engineering Services assisted with the project by evaluating the condition of each locomotive and in the development of the scope and estimated project cost.

Three new MPXpress MP40PH-3C locomotives manufactured by MotivePower, Inc. were added this year to meet future service expansion plans. The addition of the new locomotives will allow one locomotive to be taken out of service at a time for overhaul work without impacting service delivery.

Sound Transit received a \$1,121,210 grant from the Puget Sound Clean Air Agency to upgrade two of the locomotives from the minimum EPA Tier 0+ requirement to the higher Tier 3 standard. The Puget Sound Clean Air Agency estimated fuel savings from the higher Tier 3 upgrade to be 2,000 gallons of fuel saved per year per locomotive as well as emission reductions.

Sound Transit will continue to seek grant funding to upgrade the nine remaining locomotives to Tier 3 emission standards. Should grant funding become available, staff would return to the Board for a budget amendment to reflect the additional grant funding and scope, as well as any additional local match.

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 contract with Electro-Motive Diesel, Inc. to provide locomotive overhaul services in the amount of \$16,717,058, with a 10% contingency of \$1,671,706, for a total authorized contract amount not to exceed \$18,388,764.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on September 26, 2013.



Pat McCarthy
Board Chair

ATTEST:



Marcia Walker
Board Administrator