



Motion No. M2024-75

Amendment for Sounder Commuter Rail Rolling Stock Maintenance Agreement with the National Railroad Passenger Corporation

Meeting:	Date:	Type of action:	Staff contact:
Rider Experience and Operations Committee Board	11/07/2024	Recommend to Board	Russ Arnold, Service Delivery Deputy CEO
	11/21/2024	Final action	Paul Denison, Transportation and Maintenance Deputy Executive Director Martin Young, Commuter Rail Operations Deputy Director

Proposed action

Authorizes the chief executive officer to execute an amendment to extend the existing Commuter Rail Rolling Stock Maintenance Agreement with the National Railroad Passenger Corporation for the continued maintenance of Sounder locomotives and cars, including the cost of fuel, in an amount not to exceed \$ 29,785,893 for a new total authorized agreement amount not to exceed \$386,929,580.

Key features summary

- An eleven-month extension of the existing agreement which ends on December 31, 2024, until November 30, 2025.
- This extension of the existing agreement allows both parties time to understand and reach agreement on outstanding issues and challenges that have arisen in the last year.
- The agreement is for the continuation of current services provided by the National Railroad Passenger Corporation (Amtrak) that include, but are not limited to, scheduled preventative maintenance, heavy repair work parts and materials, special event service, mid-day layover yard space, and maintenance facilities. The agreement covers Sounder's 14 locomotives and 78 cars, including the 11 cars recently purchased as part of the ST3 fleet expansion.
- The agreement amount includes fuel for Sounder's locomotives (approximately 1.6 million gallons per year). Fuel accounts for approximately 23 percent of the annual amount spent on this agreement.

Background

Amtrak has maintained the Sounder fleet under the current agreement for 24 years. In 2010, an 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/penalties for Amtrak. That agreement amendment was for five years, through 2014, with one two-year option and three one-year options.

Sound Transit exercised the two-year option to extend the agreement in 2014 through Motion No. M2014-71. As Sound Transit was in the process of evaluating a long-term maintenance strategy that includes construction of a new facility, the additional two-year option allowed staff to complete a comprehensive plan for future needs.

A five-year extension was authorized through Motion No. M2016-111 and the three one-year options required advance approval by the Sound Transit Board.

In 2021 Amendment #6 with a three-year extension was authorized through Motion No. M2021-28, and the amendment included cost adjustments, as well as a new two-year and two one-year extension options.

This amendment provides an eleven-month extension, per Amtrak's request, rather than exercising the existing two-year option, because this shorter term is still within a budget threshold for Amtrak that does not yet require their Board approval. The intention is for both parties to take more time to work through further enhancements to the agreement with the two-year option, to be reflected in an Amendment 8. That amendment will be brought to both Amtrak and ST Boards next year, also allowing a four-month advance notice before the term end date. Items in discussion for incorporation into the next amendment that require more time include enhancements to the report requirements, a sliding scale of the baseline costs for a cost savings from future cars in storage, the potential for maintaining an additional locomotive as well as potential additional cost adjustments.

Under this amendment, Amtrak will continue to provide all personnel, services, parts and materials, equipment, fuel, and facilities required to maintain the locomotives, passenger coaches, and cab cars used in the operation the Sounder commuter rail service. Amtrak will perform federally required inspections and provide accompanying documentation for Sounder fleet. Amtrak will provide maintenance services for event trains and any support requested by Sound Transit necessary to resolve emergency situations.

Amtrak will also participate in regular maintenance and operational meetings related to Sounder service, including safety meetings, monthly performance review meetings, and semi-annual contract performance meetings. Sounder maintenance services are performed at the Amtrak Holgate Yard near King Street Station and at the end of the line layover facilities in Lakewood and Everett.

Fiscal information

This action will amend the current contract by \$29,785,893 for a new total authorized contract amount not to exceed \$386,929,580. This action will be funded from the services, materials & supplies and utilities categories of the Operations department's 2025 annual operating budget.

Pending the approval of the 2025 annual operating budget, Sounder Commuter Rail's budget for services, materials and supplies, and utilities categories have combined subtotal of \$33,842,238, of which \$29,785,893 is estimated to be spent from this contract in 2025 and will be within the agency's budget authority.

After approval of this action, sufficient budget remains to cover remaining annual expenditures. Funding for the additional years of the contract will be included in future annual budget requests.

This action does not impact the affordability of the agency's Financial Plan, as the services are already incorporated in the annual operating plan.

Operations Department

(in thousands)

Budget: Cost Category	2025 Annual Operating Budget ¹	Contract Spend Forecast 2025	Remaining Annual Operating Budget
Salaries and Benefits	\$47,851		\$47,851
Services	80,879	25,318	55,561
Materials and Supplies	27,955	4,170	23,785
Utilities	14,499	298	14,201
Taxes	2,556		2,556
Purchased Transportation Services	354,084		354,084
Miscellaneous	805		805
Leases and Rentals	1,536		1,536
Total Annual Operating Budget	\$530,165	\$29,786	\$500,379
Subtotal (Services, Materials and Supplies, Utilities)			
Sounder	33,842	29,786	4,056
Others	89,491		89,491
Total	\$123,333	\$29,786	\$93,547

Contract Spending Plan	Estimated Contract Spend 2024	Contract Spend Forecast 2025	Future Spending	Total
National Railroad Passenger Corp	\$357,144	\$29,786	\$	\$386,930
Contract Detail				
		Board Approved Contract Value	Proposed Action	Proposed Revised Contract Value
National Railroad Passenger Corp		\$357,144	\$28,368	\$385,511
Contingency			1,418	1,418
Contract Total		\$357,144	\$29,786	\$386,930
Estimated Taxes				
Total (with estimated taxes)		\$357,144	\$29,786	\$386,930
Percent Contingency		0%	5%	0%

Notes:

¹2025 annual operating budget for the Operations department is located on page 73 of the 2025 Proposed Budget & Financial Plan.

Disadvantaged and small business participation

Not applicable.

Public involvement

Not applicable to this action.

Time constraints

A one-month delay would not create a significant impact to Sound Transit operations.

Prior Board/Committee actions

Motion No. M2021-28: Authorized the chief executive officer to execute three one-year options to extend the Commuter Rail Rolling Stock Maintenance Agreement with the National Railroad Passenger Corporation and amend the agreement to add one two-year and two one-year options for the continued maintenance of Sounder locomotives and cars, including the cost of fuel, in an amount not to exceed \$67,903,176 for a new total authorized agreement amount not to exceed \$357,143,687.

Motion No. M2019-116: Authorized the chief executive officer to execute an amendment to the Commuter Rail Rolling Stock Maintenance Agreement with the National Railroad Passenger Corporation for the additional scope of Positive Train Control (PTC) maintenance on Sounder locomotives and cab cars, in an amount not to exceed \$664,580 for a new total authorized agreement not to exceed \$289,240,511.

Motion No. M2016-111: Authorized the chief executive officer to execute a five-year extension, with three one-year options, to the agreement with the National Railroad Passenger Corporation (Amtrak) for the continued maintenance of Sounder locomotives and cars, including the cost of fuel, in an amount not to exceed \$80,458,919 for a new total authorized agreement amount not to exceed \$288,575,931.

Motion No. M2015-116: Authorized the chief executive officer to exercise the option to extend the agreement between Sound Transit and the National Railroad Passenger Corporation (Amtrak) for the maintenance of Sounder locomotives and cars, which includes the cost of fuel, in an amount not to exceed \$18,377,778 for a new total authorized amount not to exceed \$208,117,012.

Motion No. M2014-71: Authorized 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.

Motion No. M2013-19: Authorized 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: Authorized 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: Authorized 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 – KH 10/21/24

Legal review – JW 10/31/24



Motion No. M2024-75

A motion of the of Board the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute an amendment to extend the existing Commuter Rail Rolling Stock Maintenance Agreement with the National Railroad Passenger Corporation for the continued maintenance of Sounder locomotives and cars, including the cost of fuel, in an amount not to exceed \$ 29,785,893 for a new total authorized agreement amount not to exceed \$386,929,580.

Background

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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 an amendment to extend the existing Commuter Rail Rolling Stock Maintenance Agreement with the National Railroad Passenger Corporation for the continued maintenance of Sounder locomotives and cars, including the cost of fuel, in an amount not to exceed \$29,785,893 for a new total authorized agreement amount not to exceed \$386,929,580.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on November 21, 2024.



Dow Constantine
Board Chair

Attest:



Kathryn Flores
Board Administrator