

**Date:** May 25, 2016

**To:** Board of Directors

**From:** Neil McFarlane *Neil McFarlane*

**Subject: RESOLUTION 16-05-35 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING THE PURCHASE OF TWO DIESEL MULTIPLE UNIT RAILCARS FROM DALLAS AREA RAPID TRANSIT**

**1. Purpose of Item**

The purpose of this item is to request that the TriMet Board of Directors (“Board”) authorize the General Manager to execute an agreement with Dallas Area Rapid Transit (“DART”) for the purchase of two Diesel Multiple Unit (“DMU”) railcars for use on the Westside Express Service (“WES”) Commuter Rail line.

**2. Type of Agenda Items**

- Initial Contract
- Contract Modification
- Other \_\_\_\_\_

**3. Reason for Board Action**

Board approval is required for intergovernmental agreements obligating TriMet to pay in excess of \$500,000.

**4. Type of Action:**

- Resolution
- Ordinance 1<sup>st</sup> Reading
- Ordinance 2<sup>nd</sup> Reading
- Other \_\_\_\_\_

**5. Background**

TriMet’s WES service operates on a section of railroad between Wilsonville and Beaverton for a distance of approximately 15 miles. WES runs every 30 minutes during weekday morning and afternoon rush hours. WES’s current operating fleet consists of six vehicles—three Colorado Railcar Power Cars, one Colorado Railcar trailer, and two Budd RDC cars operating as a married pair. Three trains are needed for each service window, and TriMet typically operates two single powered cars and one married pair.

Additional vehicles would provide flexibility in the event a train needs to be temporarily removed from service for repairs. For instance, in fiscal year 2017, there are several planned and funded projects for major railcar vehicle maintenance. The effect of these projects will be to take one vehicle out of service for up to three weeks at a time. In that time frame, there would be no spare vehicle available, so any service disruption or mechanical issue that would normally require a train swap would instead require a bus bridge. Also, having additional spare cars will ensure that a spare car is ready when TriMet needs to perform heavy maintenance, which is currently not the case. As the cars age heavy maintenance is likely to be required more frequently, and having additional spares available will be important in order to protect service.

Added vehicles would also allow TriMet future flexibility to increase the operations of two car trains should demand merit.

TriMet has previously sought to purchase additional cars, and had estimated a cost of approximately \$8,000,000 for two DMUs. Three recent attempts to procure additional DMUs were unsuccessful. The first attempt to procure vehicles was through an option to a contract held by Sonoma-Marín Area Rapid Transit (SMART). This would have cost TriMet approximately \$7,000,000 for two cars, but the manufacturer was unwilling to honor the option for TriMet. The second attempt was through discussions with US Railcar, a new car manufacturer who quoted TriMet a price of \$10,000,000 to produce two trailer cars. The third attempt was to purchase two refurbished Budd RDC that became available when a locomotive and passenger car overhaul company in Moncton, New Brunswick, Canada went out of business. TriMet offered \$750,000 for the pair, but was outbid.

Very recently, eleven Budd RDC cars have been put up for auction by DART. These cars are the same model cars as TriMet's two existing Budd RDC cars, which were purchased used from Alaska Railroad in 2010 and refurbished by TriMet for service. The cars would need some retrofit work specific to WES operations before entering service, including being equipped with cab signal/positive train control equipment and additional communication equipment. In addition to the purchase price, staff estimates that a total of approximately \$550,000 will be needed to make both cars service-ready.

Staff believes that these cars would meet the expected demands for the growing WES service for at least the next ten years, at significantly lower cost than what TriMet previously anticipated for new cars.

## **6. Procurement Process**

This Resolution would authorize TriMet to bid on two Budd RDC cars at auction, and enter into an agreement to purchase the vehicles and spare parts for an amount not to exceed \$1,500,000.

## **7. Diversity**

Because this is simply a purchase of used rail cars from their current owner, there are no opportunities for Disadvantaged Business Enterprise or Minority/Women/Emerging Small Business participation.

**8. Financial/Budget Impact**

The cost of the DMUs is not currently included in the capital budget. In the event TriMet is successful in acquiring these railcars at auction, the FY2016-2017 Capital Improvement Program will be adjusted to account for the purchase and refurbishment of the DMUs.

**9. Impact if Not Approved**

To meet anticipated service needs for the WES system, TriMet will need to procure new DMU vehicles for use. If the Resolution is not approved, TriMet will continue to pursue other potential railcar options. However, staff believes that purchasing these vehicles at auction is the most cost effective option available.

**RESOLUTION 16-05-35**

**RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OREGON (TRIMET) AUTHORIZING THE PURCHASE OF TWO DIESEL MULTIPLE UNIT RAILCARS FROM DALLAS AREA RAPID TRANSIT**

**WHEREAS**, TriMet has authority under ORS 267.200 to enter an intergovernmental agreement with Dallas Area Rapid Transit (“Intergovernmental Agreement”); and

**WHEREAS**, the total amount of the Intergovernmental Agreement shall exceed \$500,000; and

**WHEREAS**, the TriMet Board of Directors (“Board”), by Resolution dated November 25, 2009, adopted a Statement of Policies requiring the Board to approve intergovernmental agreements obligating TriMet to pay in excess of \$500,000;

**NOW, THEREFORE, BE IT RESOLVED:**

1. That the Intergovernmental Agreement shall be in conformance with applicable laws.
2. That the General Manager or his designee is authorized to execute the Intergovernmental Agreement.

Dated: May 25, 2016

Attest:

\_\_\_\_\_  
Presiding Officer

\_\_\_\_\_  
Recording Secretary

Approved as to Legal Sufficiency:

  
\_\_\_\_\_  
Legal Department