

Date: March 22, 2017

To: Board of Directors

From: Neil McFarlane

Subject: RESOLUTION 17-03-26 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING THE PURCHASE OF TWO DIESEL MULTIPLE UNIT RAILCARS FROM ALLEARTH RAIL, LLC

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 a contract with Allearth Rail, LLC (Allearth) 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 Item

- Initial Contract
- Contract Modification
- Other _____

3. Reason for Board Action

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

4. Type of Action

- Resolution
- Ordinance 1st Reading
- Ordinance 2nd Reading
- Other _____

5. Background

At its May 2016 meeting, the Board approved Resolution 16-05-35, authorizing TriMet to purchase two DMU railcars from Dallas Area Rapid Transit (DART) for up to \$1,500,000. The railcars are needed to supplement WES service and provide flexibility in the event that a train needs to be temporarily removed from service for repairs. At the time the resolution was approved, DART was planning to conduct a competitive auction process to dispose of twelve excess railcars, along with spare parts. DART has now completed its auction process, and although TriMet bid on two of the available railcars, its bid was not successful. Instead, DART has opted to sell all twelve cars and the spare parts to Allearth, who was the successful bidder at auction.

TriMet has since been in discussions with Allearth, and although they purchased all twelve DART cars, Allearth does not need all of them and has agreed to sell TriMet the two cars that

TriMet bid on at the DART auction. This resolution would allow TriMet to purchase these cars from Allearth, whereas the previous resolution only allowed the purchase from DART. The agreed upon purchase price will be \$1,000,000 for both cars, plus approximately \$100,000 to ship the cars from Dallas to Wilsonville.

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. These 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.

6. Procurement Process

This Resolution would authorize TriMet to purchase two Budd RDC cars from Allearth and enter into an agreement to purchase and ship the vehicles for an amount not to exceed \$1,100,000.

7. Diversity

Because this is simply a purchase of used railcars 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. The FY2017-18 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 this time is the most cost effective option available.

RESOLUTION 17-03-26

RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING THE PURCHASE OF TWO DIESEL MULTIPLE UNIT RAILCARS FROM ALLEARTH RAIL, LLC

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract with Allearth Rail, LLC (Contract); and

WHEREAS, the total amount of the Contract 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 contracts obligating TriMet to pay in excess of \$500,000;

NOW, THEREFORE, BE IT RESOLVED:

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

Dated: March 22, 2017

Presiding Officer

Attest:

Recording Secretary

Approved as to Legal Sufficiency:



Legal Department