

**T** Transportation Committee  
For the Metropolitan Council meeting of May 23,  
2007

Item: 2007-183

**ADVISORY INFORMATION**

**Date Prepared:** May 17, 2007

**Subject:** Northstar Locomotive Procurement

**Summary of Committee Discussion:**

Mark Fuhrmann, Metro Transit, presented this item and answered questions from committee members and clarified to the committee that this motion is to NOT cancel the option for four locomotives.

Motion made by Susag, seconded by Leppik, motion passed

**Recommendation:**

That the Metropolitan Council take specific action directing the Regional Administrator not to cancel by May 31, 2007, the option contract with Motive Power for four MP36 remanufactured locomotives.

# T Transportation Committee

Meeting date: May 23, 2007

## ADVISORY INFORMATION

<b>Date:</b>	May 8, 2007
<b>Subject:</b>	Northstar Locomotive Procurement
<b>District(s), Member(s)</b>	All
<b>Policy/Legal Reference:</b>	Northstar Corridor Project Master Cooperation and Delegation Agreement
<b>Staff Prepared/Presented</b>	Brian J. Lamb, General Manager, 612-349-7510 Mark W. Fuhrmann, Deputy General Manager, 612-349-7513 Richard M. Rovang, Asst. General Manager-TSD, 612-215-8254
<b>Division/Department:</b>	Metro Transit

## Proposed Action/Motion

That the Metropolitan Council take specific action directing the Regional Administrator not to cancel by May 31, 2007, the option contract with Motive Power for four MP36 remanufactured locomotives.

## Issue(s)

The Metropolitan Council authorized the Regional Administrator, in Item 2007-119, to:

- Negotiate and execute funding agreements with MnDOT for reimbursement of locomotive payments and interest expense from Full Funding Grant proceeds and with the Northstar Corridor Development Authority (NCDA) for reimbursement of local match funds.
- Negotiate and execute an Intergovernmental, Joint Powers, and Assignment Agreement with Utah Transit Authority assigning the rights for the Council to exercise an option to purchase remanufactured locomotives.
- Exercise a Northstar option under the Utah Transit Authority (UTA) contract with Motive Power Inc. for four remanufactured MP-36 locomotives in an amount not to exceed \$10,973,000 with the following conditions
  - execution of the reimbursement agreements with Mn DOT and NCDA
  - receipt of a Letter of No Prejudice (LONP) from the Federal Transit Administration;
  - inclusion of a no-cost cancellation clause in the contract.

The Metropolitan Council, further, directed the Regional Administrator to cancel by May 31, 2007 the option contract with Motive Power under the no-cost cancellation clause unless the Council takes specific action to allow the option contract to continue past May 31, 2007.

## Overview and Funding

- All the actions and pre-conditions noted above have been completed, or will be completed by May 31, 2007 (NCDA and MnDOT have yet to execute a subagreement to allow MnDOT to release local share funds to the Council).
- The 2007 Authorized Capital Program and Budget was amended, as required, to provide for this purchase by the Council in Item 2007-66, on March 28, 2007.
- The Council may still cancel the option order with a one percent penalty through July 14, 2007.

Staff recommends that the Council take specific action directing the Regional Administrator not to cancel the option contract with Motive Power, on or before May 31, 2007.