

M Management Committee

Business Item
SW Item: 2007-403

Meeting date: December 12, 2007

For Metropolitan Council meeting: December 12, 2007

ADVISORY INFORMATION

Date:	December 5, 2007
Subject:	2007-2012 Capital Improvement Program and Capital Program and Budget Amendment
District(s), Member(s):	All
Policy/Legal Reference:	2007 Capital Program and Budget
Staff Prepared/Presented:	Edwin D. Petrie, Director of Finance (612) 349-7624 Alan Morris, Principal Financial Analyst (651) 602-1446
Division/Department:	Transportation

Proposed Action

That the Metropolitan Council:

Amend the 2007 Authorized Capital Program (multi-year authorization) by adding authority as follows:

- Metro Transit (2007-397 Northstar Locomotive Procurement), \$2,875,000

See Attachment #1

Background

Metro Transit is proposing to amend the 2007 authorized capital program to provide spending authorization for a fifth locomotive for the Northstar Commuter Rail project. The attached Transportation Committee business item provides additional information on the locomotive purchase and on the procurement of Northstar passenger cars. A capital amendment for the passenger car procurement will be brought before the Council in January, 2008.

Fiscal Impact

Funding for the purchase of the locomotive will come from federal funding when the full funding agreement for the project is executed and from local NCDA funding. The full funding agreement is anticipated to be signed on December 11, 2007. No regional funds will be used for the purchase.

T Transportation Committee

Meeting date: December 10, 2007

For Management Committee: December 12, 2007

For Metropolitan Council meeting: December 12, 2007

ADVISORY INFORMATION

Date:	December 4, 2007
Subject:	2007-2012 Capital Improvement Program and Capital Program and Budget Amendment
District(s), Member(s):	All
Policy/Legal Reference:	2007 Capital Program and Budget
Staff Prepared/Presented:	Edwin D. Petrie, Director of Finance (612) 349-7624 Alan Morris, Principal Financial Analyst (651) 602-1446 Mark W. Fuhrmann, Deputy General, Manager (651) 602-1942
Division/Department:	Transportation

Proposed Action

That the Council:

Amend the 2007 Authorized Capital Program (multi-year authorization) by adding authority as follows:

- Metro Transit (2007-397 Northstar Locomotive Procurement), \$2,875,000

Background

Northstar Locomotive:

On November 26, 2007, the Transportation Committee considered and approved Business Item 2007-397 recommending that the Metropolitan Council authorize the Regional Administrator to:

- Negotiate and execute a funding agreement with the Minnesota Department of Transportation (Mn/DOT) for reimbursement of the costs incurred by the Council in procuring a fifth locomotive for the Northstar Project.
- Negotiate and execute a supplemental agreement, or an amendment to the existing supplemental agreement, with MotivePower Inc. for a fifth remanufactured MP36 locomotive in an amount not to exceed \$2,875,000 subject to the execution of the reimbursement agreement with Mn/DOT.
- The Met Council has agreed to act as the lead agency to procure locomotives on behalf of the Northstar Corridor Project.
- Following execution of the Northstar Full Funding Grant Agreement, anticipated to be signed on December 11, 2007, Northstar Corridor funding will be available to reimburse the Met Council for any and all payments made for vehicle procurements after they are incurred.
- This action does not materially jeopardize or put at higher risk the use of the \$10.1M increase in Northstar Project Contingency approved by the Council on May 9, 2007 (Item # 2007-153). Prior Council action requires Northstar to seek and receive Council approval prior to committing any of the \$10.1M of contingency.

Northstar Passenger Cars:

On November 26, 2007, the Transportation Committee considered and approved Business Item 2007-398 recommending that the Metropolitan Council authorize the Regional Administrator to:

- Execute a Joint Powers Agreement with the Minnesota Department of Transportation (Mn/DOT) for Metropolitan Council procurement of Northstar passenger cars utilizing Best Value Selection criteria.
- The Metropolitan Council has agreed to act as a lead agency to procure passenger cars on behalf of the Northstar Corridor Project.
- Following execution of the Northstar Full Funding Grant Agreement, anticipated to be signed on December 11, 2007, Northstar Corridor funding will be available to reimburse the Met Council for any and all payments made for the vehicle procurement after they are incurred.
- Council staff are continuing to negotiate the final pricing for the Northstar passenger cars. We expect to have finalized numbers for the Northstar passenger cars later in December 2007, with staff anticipating a capital budget amendment being presented to the Council in January 2008 for the procurement of these Northstar passenger cars.
- No capital budget action related to the Northstar Passengers Cars is requested at this time.

Rationale

The most favorable terms of the Northstar option for a fifth MP36 locomotive under the UTA contract with MotivePower will expire on or about December 15, 2007. Waiting to exercise until 2008 will cause an increase in cost.

The Met Council, as the procuring agency, intends to use the Best Value procurement method available to Minnesota State Agencies, including Mn/DOT, to procure the vehicles. The parties to the Joint Powers Agreement wish to select the proposal for the vehicle procurement that presents the best value.

Funding

Funding will be available through the Northstar Project Federal Full Funding Grant Agreement anticipated to be executed on December 11, 2007 and NCDA Local Funding.

This proposed amendment includes no new regional bonding authorization and therefore remains consistent with the Council goal to keep the impact of Council property taxes on existing regional taxpayers flat over time.

This proposed amendment does not change the 2007 capital budget spending authority.

Known Support / Opposition

Support will include execution of the Northstar Full Funding Grant Agreement, anticipated to be signed on December 11, 2007. Additional support for the Northstar locomotive and Northstar passenger cars comes from the FTA, Mn/DOT and the NCDA Funding Partners.