

T Transportation Committee
For the Metropolitan Council meeting of December 12, 2007

Item: 2007-397

ADVISORY INFORMATION

Date Prepared: December 4, 2007

Subject: Northstar Locomotive Procurement

Proposed Action:

That the Metropolitan Council authorize the Regional Administrator to:

- Negotiate and execute a funding agreement with the Minnesota Department of Transportation (MnDOT) for reimbursement of the costs incurred by the Council in procuring a fifth locomotive for the Northstar project.
- Negotiate and execute an Intergovernmental, Joint Powers, and Assignment Agreement with the Utah Transit Authority (UTA), or an amendment to the existing agreement, assigning to the Council UTA's rights to exercise an option to purchase a fifth remanufactured locomotive from MotivePower, Inc.
- 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 MnDOT.

Summary of Committee Discussion / Questions:

This item was presented by Rich Rovang. An information item on the status of the Northstar Project was presented just prior to this item, so several questions were addressed concerning this item regarding funding and contingency during that presentation. The item passed unanimously.

T Transportation Committee

Meeting date: November 26, 2007

ADVISORY INFORMATION

Date:	November 21, 2007
Subject:	Northstar Locomotive Procurement
District(s), Member(s)	All
Policy/Legal Reference:	Northstar Corridor Project Master Cooperation and Delegation Agreement
Staff Prepared/Presented	Brian Lamb, General Manager, 612-349-7510 Mark W. Fuhrmann, Deputy General Manager, 651-602-1942 Richard M. Rovang, Asst. General Manager – TSD, 651-602-1941
Division/Department:	Metro Transit

Proposed Action/Motion

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Issue(s)

Whether to authorize: (1) the negotiation and execution of a funding agreement for reimbursement of costs incurred by the Council in procuring a fifth locomotive; and (2) the procurement of a fifth locomotive for the Northstar project through the alternative of obtaining an option from the Utah Transit Authority and purchase from MotivePower, Inc., under the option not later than December 15, 2007.

Overview and Funding:

- The Met Council has agreed to act as the lead agency to procure locomotives on behalf of the Northstar Corridor project.
- Five locomotives are required for operating the Northstar Corridor Commuter Rail Service (four for weekday operating trains and one spare locomotive.)
- Purchase of the first four locomotives was authorized by the Met Council in Business Item 2007-119, approved March 26, 2007, and reaffirmed May 23, 2007. The purchase was accomplished through the assignment of options from the Utah Transit Authority and exercise of those options with MotivePower, Inc.
- 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.
- Sufficient progress has been made on constructing the project at this time to budget the use of contingency funds for the purchase of the fifth locomotive.
- 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.

- Procurement of the fifth locomotive shall not be made until the negotiation and execution of a definitive funding agreement between the Met Council and MnDOT providing funding for the procurement.

Summary and Recommendation:

Authorization, as requested, will allow timely procurement of a fifth locomotive for the Northstar Commuter Rail Project, and the proposed action is recommended.