Memorandum

MIAMI-DADE COUNTY

Date: May 6, 2008

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

Agenda Item No. 8(J)(1)(F)

From: George M. Burgess
County Manager

Subject: Resolution Approving an Amendment to the People's Transportation Plan (PTP) to Include the Purchase of 17 New Metromover Replacement Vehicles

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RECOMMENDATION

It is recommended that the Board of County Commissioners (Board) approve the attached resolution amending the People's Transportation Plan's (PTP) Miscellaneous Capital Improvements Projects List to include the purchase of 17 new Metromover replacement vehicles. The Citizens' Independent Transportation Trust forwarded a favorable recommendation on this amendment during its March 26, 2008 meeting.

SCOPE

While the existing Metromover guideway is physically located within Commission Districts 3, 5, and 7, its service impact benefits the riding public and is, therefore, countywide.

FISCAL IMPACT/FUNDING SOURCE

This purchase would be funded 100% with proceeds from the Charter County Transit System Surtax (Surtax) through the issuance of bonds. The purchase price for 17 new Phase 2 replacement vehicles is 34,370,284 based on a negotiated vehicle price of $1.814 million, plus a 5% contingency of $1,530,000, and a not to exceed amount of $2,000,000 for future Letters of Credit or Bonds. In addition, $4,065,000 will be needed to improve the reliability of the current fleet until the arrival of the new vehicles, and MDT project oversight of $3,351,712 for a total required funding of approximately $41,836,996.

MDT's capital project needs are currently being re-prioritized in the face of increasing capital and operational costs to identify critical infrastructure needs. MDT has been working in concert with the CITT and County Manager to prioritize these projects and refine the Pro Forma. As a result, only those items which have been deemed critical will be moving forward while others will be deferred. The Metromover procurement has been identified as a critical project of the PTP and the estimated cost for this procurement is budgeted in current departmental projections.

TRACK RECORD/MONITOR

The MDT employee responsible for managing this PTP-approved project is Richard Snedden, Assistant Director for Rail Services.

BACKGROUND

On April 15, 1980, Westinghouse Electric Corporation, now Bombardier, entered into Contract DPM-02 with the County to supply a fully operational, automated People Mover (Metromover) system in downtown Miami. The system consisted of a proprietary guideway, vehicles and an automated train control system that are fully compatible with each other. Metromover Phase 1 fleet opened for service in 1986 with 12 vehicles. In 1994, the Omni and Brickell extensions were opened with an additional 17 vehicles. The operating systems were also installed by Bombardier. The life expectancy of a Metromover vehicle is 20 years.

After voter approval of the Surtax in November 2002, MDT presented a list of Miscellaneous Capital Improvements Projects totaling $397.2 million, for inclusion in Exhibit 1 of the PTP (Ordinance No. 02-

116). This listing included the rehabilitation of the Metromover Phase 1 vehicles and was approved by both the CITT (R-03-002) and the Board (R-1154-03). However, during the process of developing plans to rehabilitate the existing fleet, MDT determined that it was more cost effective to replace rather than rehabilitate its 12 oldest Metromover vehicles. A subsequent amendment, recommending the procurement of 12 new Metromover vehicles and the coupler retrofit of the remaining 17 vehicles, was approved in 2004. The CITT approved the amendment in July 2004 and the Board approved the amendment on October 19, 2004 through Resolution No. R-1240-04.

MDT must now address the replacement of the remaining 17 vehicles earlier than anticipated because the 17 Phase 2 vehicles, while although only eleven years old at the time when the contract with Bombardier was negotiated, are in more deteriorated a condition than the original 12 vehicles were after eleven years of operation. These 17 vehicles have been used considerably more in revenue service compared to the original 12 and, based on accumulated mileage, will be ready for replacement at about 17 years (2011) rather than the industry predicted 20 years (2014). The increased mileage accumulation is due to the more frequent use of the newer 17 vehicles; which are called into service more frequently than they would have been had the original 12 vehicles received their mid-life rehabilitation at 10 years of age and maintained their reliability. In addition, implementation of 24-hour service immediately following the passage of the PTP also increased the mover mileage accumulation. A mileage report for January 1, 2008 shows that the Phase 1 Mover vehicles accumulated an average of 611,681 miles over its life of 22 years, while the 17 Phase 2 cars had accumulated 559,681 miles over a life of 13 years. Thus, the Phase 2 vehicles are averaging 43,052 miles versus 27,803 miles per year for Phase 1 vehicles. The foregoing illustrates that Phase 2 vehicles wear and tear will result in a shorter life expectancy due to its more frequent use and faster deterioration. In addition the Mover ridership has increased about 70% since the Surtax was passed; this has also led to more use of the 17 vehicles at higher loadings.

If the Phase 2 vehicles are cancelled, Bombardier estimates that new vehicles procured at the end of the Phase 2 vehicle life cycle in year 2014, will be escalated up to $2,881,416 ($3,025,487 including 5% contingency) per vehicle or a total of $51,433,279 as opposed to $34,370,284 today. Therefore, the procurement of new Phase 2 Metromover vehicles exhibits a significant price advantage and represents the best value option for the County.

It should be noted that if the existing 17 vehicles are retired in 2010 (4 years before the end of their specified 20 year useful life), the remaining Federal interest in the vehicles has been estimated at approximately $3,192,000. This is based on the original 75/25 Federal/County participation ratio on a purchase price of $21,280,000 in 1994. If assessed, this interest would be deducted from future grant agreements with the Federal Transit Administration (FTA). MDT has had numerous discussions with FTA officials to explore options for mitigation of this amount. While no final determination has been made, MDT is investigating possible options to keep the vehicles in use and avoid interest assessment. Some of these options include: transferring the vehicles to another public agency; keeping part of the fleet active to enhance current operations, possibly adding two-car trains on the extensions to better serve downtown development; and discussing with Bombardier the possibility of extending the production/delivery schedule. However, it is important to note that even if the federal interest is ultimately assessed in full, the plan to purchase new vehicles remains the more cost-effective option due to the reduced purchase price that was negotiated for Phase 2 and estimated future costs associated with a separate procurement for Phase 2 vehicles in 2014, as noted above. MDT would also incur an additional $4 million in overhaul/maintenance costs to extend the useful life of the existing Phase 2 vehicles to 2014 due to required cyclical inspections and scheduled component replacements. MDT is currently weighing the full financial impacts of these options, which need to be considered against their full operational and maintenance requirements.

Assistant County Manager

MEMORANDUM
(Revised)

TO: Honorable Chairman Bruno A. Barreiro and Members, Board of County Commissioners

DATE: May 6, 2008

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Agenda Item No. 8(J)(1)(F)

Please note any items checked.

_____ **"4-Day Rule" ("3-Day Rule" for committees) applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Bid waiver requiring County Manager's written recommendation**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

_____ **Housekeeping item (no policy decision required)**

_____ **No committee review**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(J)(1)(F)
5-6-08

RESOLUTION NO. _____

RESOLUTION APPROVING AN AMENDMENT TO THE PEOPLE'S TRANSPORTATION PLAN (PTP) TO INCLUDE THE PURCHASE OF 17 NEW METROMOVER REPLACEMENT VEHICLES

WHEREAS, the Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference; and

WHEREAS, a public hearing was held at the Transit Committee; and

WHEREAS, the Board accepts the recommendation of the Citizens' Independent Transportation Trust,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, that this Board approves an amendment to the People's Transportation Plan's (PTP) to include the purchase of 17 new Metromover replacement vehicles in an amount not to exceed $41,836,996.00.

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The foregoing resolution was offered by Commissioner ,

who moved its adoption. The motion was seconded by Commissioner

and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman
Barbara J. Jordan, Vice-Chairwoman

Jose "Pepe" Diaz	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Joe A. Martinez	Dennis C. Moss
Dorrin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 6th day of May, 2008. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By:_____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Bruce Libhaber

Office of the
Citizens' Independent
Transportation Trust

Memo

To: Miles E. Moss, P.E., Chairperson
and Members, Citizens' Independent Transportation Trust (CITT)

From: Nan A. Markowitz, Executive Director

cc: Ysela Llort, Assistant County Manager
Bruce Libhaber, Assistant County Attorney

Date: March 17, 2008

Re: Resolution Recommending an **Amendment** to the People's Transportation Plan (PTP) Modifying Miami-Dade Transit's (MDT's) Miscellaneous Capital Improvement Projects List in Exhibit 1 for the Purchase of 17 New Metromover Replacement Vehicles

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This item was prepared by Miami-Dade Transit (MDT). **The Surtax impact is not to exceed $41,836,996.**

It is recommended that the Citizens' Independent Transportation Trust (CITT) approve the attached resolution supporting the amendment of the People's Transportation Plan (PTP) modifying the Miscellaneous Capital Improvement Projects List in Exhibit 1 to include the purchase of 17 Metromover replacement vehicles.

On July 29, 2003, the CITT through Resolution R-03-004, approved a listing of Miscellaneous Capital Improvement Projects, which included funding for the rehabilitation of the Metromover Phase 1 vehicles. Subsequent to that approval, it was determined that it would be more cost effective to replace than rehabilitate the 12 Metromover vehicles. On July 28, 2004, the CITT approved Resolution R-04-047 to include the replacement of the 12 oldest Metromover vehicles (Phase 1) and the coupler retrofit of the remaining 17 vehicles (Phase 2). Because the 17 Phase 2 vehicles are in a more deteriorated condition than the original 12 vehicles were after eleven years of operation, MDT is now faced with addressing the replacement of the remaining 17 vehicles earlier than anticipated.

The current contract with Bombardier for the purchase of the 29 Metromover vehicles was approved by the Board of County Commissioners (BCC) on January 24, 2006 (Resolution R-58-06) and the CITT on February 22, 2006 (Resolution R-06-015). The contract includes the purchase of 29 vehicles in two phases. Based on language in the contract, the 17 vehicles represent an unfunded portion of a 29 vehicle order wherein Miami-Dade County (County) has the option to cancel the 17 vehicles if funding is not identified by July 17, 2008. However, cancellation of the 17 Phase 2 vehicles will incur a $1 million penalty added to the cost of the Phase 1 replacement vehicles.

Under the contract, the purchase price for 17 new Phase 2 replacement vehicles is $34,370,284 based on a negotiated per vehicle price of $1.814 million. This amount includes a 5% contingency of $1,530,000, and not to exceed amount of $2,000,000 for future Letters of Credit or Bonds. In addition, $4,065,000 will be needed to improve the reliability of the current fleet until the arrival of the new vehicles, and MDT project oversight of $3,351,712 for a total required funding of approximately $41,836,996.

Approval of the amendment will add the purchase of the 17 additional Phase 2 Metromover vehicles to the list of Miscellaneous Capital Improvement Projects for a cost not to exceed $41,836,996.

This item was forwarded with no recommendation at the March 13, 2008, Project and Financial Review Committee.

If you have any questions, or need additional information, please do not hesitate to contact me.

RESOLUTION NO. 08-025

RESOLUTION BY THE CITIZENS' INDEPENDENT TRANSPORTATION TRUST (CITT) RECOMMENDING THAT THE BOARD OF COUNTY COMMISSIONERS (BCC) **AMEND** THE PEOPLE'S TRANSPORTATION PLAN (PTP) AND MODIFY MIAMI-DADE TRANSIT'S MISCELLANEOUS CAPITAL IMPROVEMENT PROJECTS LIST IN EXHIBIT 1 OF THE PTP TO INCLUDE THE PURCHASE OF 17 NEW METROMOVER REPLACEMENT VEHICLES IN AN AMOUNT NOT TO EXCEED $41,836,996.00

WHEREAS, the CITT desires to accomplish the purposes outlined in the accompanying OCITT Executive Director's memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE CITT, that this Trust recommends an amendment to the People's Transportation Plan's (PTP) Miami-Dade Transit Miscellaneous Capital Improvement Projects list to include the procurement of 17 new Metromover replacement vehicles in an amount not to exceed $41,836,996.00, as outlined in the corresponding document in substantially the form attached and made a part hereof.

The foregoing resolution was offered by Hon. Anna E. Ward, Ph.D., who moved its adoption. The motion was seconded by Hon. James A. Reeder and upon being put to vote, the vote was as follows:

Miles E. Moss, P.E., Chairperson – Aye
Hon. Linda Zilber, Vice-Chairperson – Aye

Harold Braynon, Jr. – Nay
LtCol Antonio Colmenares – Absent
Peter L. Forrest – Aye
Hon. Jorge Rodriguez-Chomat - Nay
Paul J. Schwiep, Esq. – Nay
Hon. Anna E. Ward, Ph.D. – Aye

Marc A. Buoniconti – Nay
Jorge E. Cueto, Esq. – Absent
Hon. James A. Reeder – Aye
Rodney Sanders – Aye
Marilyn Smith – Absent
William Sancho – Aye

The Chairman thereupon declared the resolution duly passed and adopted this 26th day of March, 2008.

Approved by the County Attorney as to form and legal sufficiency

By: _____ for
Executive Director