

OREGON TRANSPORTATION COMMISSION

Minutes of the Special Meeting December 2, 2009 Salem, Oregon

On Wednesday, December 2, 2009, at 3:00 p.m., the Oregon Transportation Commission and Oregon Department of Transportation staff held a special meeting in Conference Room 122 of the Transportation Building, 355 Capitol Street NE, Salem. Commission members participated by telephone.

Notice of this meeting was made by press release of local and statewide media circulation throughout the state. Those attending part or all of the meeting included:

Chair Gail Achterman
Vice-Chair Michael Nelson
Commissioner David Lohman
Commissioner Alan Brown
Commissioner Janice Wilson
Director Matt Garrett

Deputy Director for Highway Doug Tindall
Chief of Staff Joan Plank
Communications Div. Admin. Patrick Cooney
Innovative Partnership Manager Jim Whitty
Rail Division Administrator Kelly Taylor
Commission Assistant Amy Merckling

• • •

Chair Achterman called the meeting to order at 3:00 p.m.

• • •

Rail Division Administrator Kelly Taylor and Office of Innovative Partnerships Manager Jim Whitty requested the Commission consider approval of a determination that an agreement to acquire high-speed rail passenger sets should be entered in the Oregon Innovative Partnerships Program for solicitation of two train sets, and that authority be delegated to the Director of the Oregon Department of Transportation to sign the agreement.

Kelly Taylor explained that the purchase of two train sets for the state of Oregon has the potential to accelerate cost-effective delivery and promote innovative approaches to carry out the project and to enroll it in the Oregon Innovative Partnership Program (OIPP).

In addition, the request seeks approval of delegation from the Commission to the director to authorize or ratify the department's solicitation of proposals, and review and approve the resulting agreement, under Oregon law and rule, for the acquisition of the two high speed rail passenger train sets.

Commissioner Brown asked if this would come back to the Commission for approval of the results. Jim Whitty explained that normally the contract would come back to the Commission for approval, but in this case there is a time consideration, which is why they are asking for delegation of authority to the director. Kelly Taylor explained that originally the OIPP was not going to be used for the solicitation. Now, the funds allocated from the ARRA program need

to be obligated by the end of February, so solicitation and purchase negotiations need to be completed before that date. Depending on whom ODOT partners with, there is a potential to lock in a favorable dollar versus Euro rate that expires the end of January.

Commissioner Nelson asked how the \$35 million figure was arrived at, and what will happen if the price is more. Kelly Taylor said the \$35 million reallocation of American Recovery and Reinvestment Act (ARRA) funds was approved by the OTC at the July 23, 2009 meeting. The level is a best estimate based on existing contracts in the past, and knowing the price of two train sets if ODOT partners with other states. Kelly has been investigating partnering with other states wanting to buy train equipment. If the cost is significantly more, ODOT will not buy the train sets, and the ARRA funds will be reallocated. Deputy Director for Highways Doug Tindall said there are sufficient projects on the shelf for reallocation of the ARRA funds if this should occur.

Commissioner Nelson asked who would be responsible for maintenance of the train sets. Chair Achterman said we currently pay to maintain the two trains leased from Washington State, and we would also pay to maintain these trains. Kelly Taylor said maintenance costs are allocated between Oregon, Washington, and Amtrak for the five train sets that run between Eugene, Oregon and Vancouver, B.C. The allocations are based on the number of train miles used. The new trains would be integrated in that pool, using the same formula. There is a dedicated funding source for passenger rail that comes from the sale of custom license plates.

The determination will meet requirements to accelerate cost-effective delivery by taking advantage of the one-time-only ARRA funding opportunity. Partnering with other states to get a better price on the train, and enrollment in OIPP will allow expeditious procurement, which will save on the difference between the Euro and the dollar. The Commission members agreed the cost-effective delivery requirement of the rule has been met.

The requirement to promote innovative approaches will be met by using the OIPP program because we will be able to participate in a multi-state group purchase of transportation equipment.

The Commission asked that the last word, in the first paragraph of the staff report titled, *Passenger Rail Equipment Solicitation*, be changed from 'infrastructure' to 'program'. Kelly Taylor will revise the staff letter. Commissioner Lohman asked Kelly to resend commission members the letter that was sent to the Association of General Contractors and others who objected to the expenditure of the \$35 million.

Commissioner Brown commented that initially he voted no on spending \$35 million on trains, feeling there were more appropriate needs for the money that would create jobs immediately within the state. He will vote yes today because he believes we have gone through the best process possible to acquire the trains.

The second part of the request is a delegation to the director to authorize or ratify ODOT's expedited solicitation of proposals and to review and approve the resulting agreement. The Commission supported this recommendation.

Commissioner Wilson moved to approve the requested action as stated in the agenda item. The Commission unanimously approved the motion.

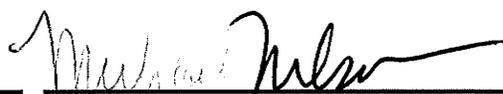
• • •

Chair Achterman adjourned the meeting at 3:40 PM.

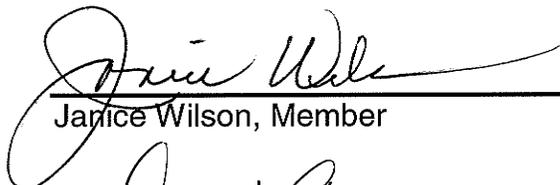
• • •



Gail Achterman, Chair



Michael Nelson, Vice Chair



Janice Wilson, Member



Alan Brown, Member



David Lohman, Member



Roxanne Van Hess, Commission Support