



LET THE TRAIN TAKE

YOU THERE..

## SMART DMU

- Vehicle Leasing Alternatives



# LEASING ISSUES

- SMART will never get the current price on DMUs in a future procurement
- Locomotives do not meet the EIR – Project will be delayed while EIR is revised and public is convinced that locomotives still make SMART a good neighbor
  - Locomotives likely to be Tier 0 compliant at best, producing orders of magnitude more air pollution
  - Locomotives produce far higher noise and vibration (2x)
- Most cars available for lease will not be ADA compliant and will board at 8” platforms – Operating schedule cannot tolerate the delays associated with wayside lifts or mini-high platforms
- To guarantee availability, SMART should execute a lease years before equipment is needed – pay rent on vehicles that are not in use

# LEASING ISSUES

- Leasing “end of life equipment” leasing will cost about the same as purchasing and refurbishing it because the lessor will amortize the cost of the car over the lease term regardless of the term length
- Extra \$1 mil per year in fuel
- More expensive to maintain
- Wrong facility design for loco maintenance
- Spare parts
- Reliability
- Funding for new vehicles is different than funding line segments with respect to funding agency (FTA Small Starts, etc)
- In addition, you almost never get what you expect...

# LEASING



What You Expect

# LEASING



What You End Up With

# LEASING OPTIONS

Two service types available for lease:

1) Locomotive Hauled (push-pull)

- Startup requires 7 locomotives, 7 cab cars, 7 coach cars\*
- Cab and coach car types:
  - Bombardier Bilevel
  - Gallery Double Decker
  - Single Level

2) Self Propelled (RDCs)

- Startup requires 12 to 14 cars
- All RDCs built in 1950's and 60's

- Both types would require the addition of PTC
- All vehicle options for both types require rework for SMART service

\*Cab cars can be used as coach cars if necessary

# Option 1 – Locomotive Hauled Buy/Lease Details

- Lease 7 locos and coaches for 5 years, then purchase 18 DMUs in a new procurement
  - Lease cost \$10 mil
  - 18 DMUs at \$4mil ea \$72mil
  - Extra fuel \$1mil per year \$5mil
  - Total Cost = \$87mil
- Purchase 12 DMUs now and 6 later
  - 12 DMUs plus spares, etc \$40mil
  - 6 DMUs \$17mil
- Total short-term savings \$25mil
- **Total long-term cost premium \$30mil**

# Option 2 – Self Propelled Buy/Lease Details

- Lease 13 RDCs for 5 years
  - \$250 per day per vehicle (estimated)
  - Total cost over 5 years \$6.9mil
  - Light refurbishment still needed for SMART service
    - Add 100k per car \$1.3mil
  - Major engine work may be required during the 5 years
    - Add \$500k per car \$6.5mil
  - RDCs cannot make the current train schedule (passing sidings will be in the wrong place)
    - Cost to move sidings later \$7mil

