

AGENDA ITEM 8-A
CONSENT AGENDA ITEM

TO: CHAIRMAN KAUFFMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: APRIL 20, 2007

RE: AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSALS FOR THE ACQUISITION OF NEW LOCOMOTIVES

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to issue a Request for Proposals (RFP) for new locomotives.

BACKGROUND:

VRE currently operates nineteen locomotives, including one leased from Sound Transit, three former Amtrak F-40s, and 15 rebuilt freight locomotives. In an effort to avoid the multi-million dollar cost of mid-life rebuilds on the freight locomotives, a top deck rebuild program was initiated in April of 2006. To-date, the Operations Board has authorized just over \$1.2 million for work on six units. Four units have been completed and the fifth unit will be complete by the end of April, at which time work on the sixth unit will begin.

While the program was originally scoped for all 15 units, the General Assembly's adoption of the Governor's substitute amendment for transportation funding has prompted a reconsideration of the program. It is likely that top deck work will only be completed on a total of 8 units, rather than all 15 units. Additional information on this project will be presented at a future meeting.

The Commonwealth's budget includes both a \$15 million earmark for the procurement of rolling stock, of which \$1.6 million must be applied to the 50 railcar financing, and provisions for \$25 million per year in capital and operating funding to be provided to VRE. While we anticipate receiving the earmark this summer, the \$25 million is neither

certain nor expected to be available for some time. As such, the procurement for locomotives will be structured in the same fashion as the railcar purchase, with a base order dependant on available funding and larger option to be exercised as additional funding becomes available. The entire procurement will not exceed twenty units.

FISCAL IMPACT:

There is no fiscal impact associated with issuing this procurement.

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RESOLUTION
8A-04-2007
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, the VRE fleet currently consists of nineteen locomotives; and,

WHEREAS, fifteen of these locomotives are over thirty years old and in need of a top deck overhaul; and,

WHEREAS, the top deck overhaul program was originally scoped for all 15 units but the General Assembly's adoption of the Governor's substitute amendment for transportation funding has prompted a reconsideration of the program to include the procurement of new locomotives.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to issue a Request for Proposals (RFP) for new locomotives.