

**AGENDA ITEM 9-D**  
**ACTION ITEM**

**TO: CHAIRMAN KAUFFMAN AND THE VRE OPERATIONS BOARD**

**FROM: DALE ZEHNER**

**DATE: AUGUST 17, 2007**

**RE: AUTHORIZATION TO ENTER INTO A CONTRACT FOR LUBE OIL DELIVERY SERVICES**

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**RECOMMENDATION:**

The VRE Operations Board is being asked to authorize the Chief Executive Officer to enter into a one-year contract, with two additional one-year options exercised at the CEO's discretion, with Quarles Petroleum, Inc. of Fredericksburg, Virginia for lube oil delivery services at both VRE yards in the amount of \$250,000, plus a contingency of \$50,000, for a total amount not to exceed \$300,000.

**BACKGROUND:**

Lube oil and associated products were previously added to VRE's locomotive fleet by Amtrak personnel in Washington during the mid-day. As maintenance functions are being shifted to the VRE yards, this topping-off will now be performed during the night time layover in the Virginia yards. In order to perform such services, it is necessary to have lube oil available at these locations.

As such, on April 20, the Operations Board authorized the issuance of an Invitation for Bids for lube oil delivery service. The IFB was issued on June 1, 2007, with bids due on July 2, 2007. Two bids were received and Quarles Petroleum was found to be the lowest responsive and responsible bidder.

Pricing was provided on a fixed price per item basis and includes freight. The term of the contract is for one year, with two additional one-year options. VRE is

requesting authorization for the total term of the contract, with the VRE CEO exercising the option years at his discretion.

**FISCAL IMPACT:**

Funding for this contract is available in the FY 2008 VRE Operating Budget and will be included in subsequent budgets on an annual basis.

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**FROM: DALE ZEHNER**  
**DATE: AUGUST 17, 2007**  
**RE: AUTHORIZATION TO ENTER INTO A CONTRACT FOR LUBE OIL DELIVERY SERVICES**

**RESOLUTION  
9D-08-2007  
OF THE  
VIRGINIA RAILWAY EXPRESS  
OPERATIONS BOARD**

**WHEREAS**, lube oil and associated products were previously added to VRE's locomotive fleet by Amtrak personnel in Washington during the mid-day; and,

**WHEREAS**, as maintenance functions are being shifted to the VRE yards, this topping-off will now be performed during the night time layover in the Virginia yards; and,

**WHEREAS**, in order to perform such services, it is necessary to have the products available at those locations; and,

**WHEREAS**, a competitive solicitation was completed and the lowest responsive and responsible bidder was selected for contract award.

**NOW, THEREFORE, BE IT RESOLVED THAT**, the VRE Operations Board authorizes the Chief Executive Officer to enter into a one-year contract, with two additional one-year options exercised at the CEO's discretion, with Quarles Petroleum, Inc. of Fredericksburg, Virginia for lube oil delivery services at both VRE yards in the amount of \$250,000, plus a contingency of \$50,000, for a total amount not to exceed \$300,000.