

AGENDA ITEM 8-B
ACTION ITEM

TO: CHAIRMAN KAUFFMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: SEPTEMBER 21, 2007

**RE: AUTHORIZATION TO ISSUE A TASK ORDER FOR
LOCOMOTIVE TOP DECK REBUILD WORK**

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the VRE Chief Executive Officer to issue a task order to Transportation Technologies, Inc. (TTI) to perform top deck rebuild work on two locomotives in an amount not to exceed \$450,000, plus a contingency of \$45,000, for a total of \$495,000.

BACKGROUND:

Since April 2006, the VRE Operations Board has approved top deck rebuilds on six of VRE's locomotives under a contract with TTI to maintain and repair locomotives. Work on four of the units has already been completed with the fifth unit in progress in the Norfolk Southern Shop in Altoona, Pennsylvania. Once this unit is complete and has been returned to service, the sixth unit will be sent to Altoona.

On August 20, the procurement for new locomotives was issued and bids are due October 22, 2007. Given this schedule, new locomotives are not expected to enter VRE service until late 2009/early 2010. As such, top deck rebuild work on the existing fleet must continue. VRE staff is requesting authority to perform such work on two more locomotives, bringing the total to eight units.

VRE currently has 19 locomotives in its fleet. The 10 GP-39's and five GP 40's all require this rebuild work. Following approval of this task order, seven of these locomotives would still require this work. The remaining four units in VRE's fleet

consist of three F-40's, which were rebuilt as a condition of executing the lease/purchase agreement, and the final Sounder locomotive which does not require any work. The selection methodology of locomotives for top deck work is based on history of failure, extent of failure and overall performance of the locomotive.

This task order includes a comprehensive rebuilding of the top deck; installation of a new hot start; repair of the turbo charger, if needed; repair of the main generator bearing and extensive testing on the engine for additional hidden faults. The task order also includes freight to and from the repair facility. The work will take approximately two months from the time a locomotive leaves VRE's facility to being returned to VRE property for service.

FISCAL IMPACT:

Funding is available from the locomotive overhaul project in the VRE capital budget. Funding is provided using FY 2005 and FY 2006 federal grants. Local match is being provided using state and local funds.

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RESOLUTION
8B-09-2007
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, VRE has an existing contract with Transportation Technologies, Inc. (TTI) to perform top deck rebuild work; and,

WHEREAS, since April 2006, the VRE Operations Board has approved top deck rebuilds on six of VRE's locomotives; and,

WHEREAS, given the schedule for the new locomotive delivery, top deck rebuild work on the existing fleet must continue; and,

WHEREAS, VRE is recommending approval of work on two of the remaining nine locomotives for top deck overhaul rebuild work.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the VRE Chief Executive Officer to issue a task order to Transportation Technologies, Inc. (TTI) to perform top deck rebuild work on two locomotives in an amount not to exceed \$450,000, plus a contingency of \$45,000, for a total of \$495,000.