

AGENDA ITEM 8-A
ACTION ITEM

TO: CHAIRMAN KAUFFMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: SEPTEMBER 21, 2007

RE: AUTHORIZATION TO SELL FIVE GALLERY CARS

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to sell five Gallery cars to Dan Behr Associates for \$1 per car.

BACKGROUND:

In March 2007, the Operations Board granted authority to the CEO to sell up to 25 railcars in anticipation of the new railcar delivery beginning this December. Since that time, the equipment was posted on VRE's web site for public sale and staff received a proposal from Dan Behr Associates of Chicago, Illinois, to purchase five Gallery cars (car numbers 8730, 8731, 8739, 8740, and 8742) for \$1 each. The sale also includes the buyer placing freight costs into an escrow account to ensure removal of all cars.

VRE purchased these five cars for \$1 each and invested no money in them. As such, there is no federal, state, or local interest in these cars. By contrast, the remaining 20 Gallery cars do have a stated value which VRE will work to recoup as part of any sale. Some of these cars also have a residual federal interest which will need to be assumed or paid as part of any negotiated sale.

FISCAL IMPACT:

This additional revenue will be allocated to the restoration of the operating reserve as required by the bond indenture.

TO: CHAIRMAN KAUFFMAN AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: SEPTEMBER 21, 2007
RE: AUTHORIZATION TO SELL FIVE GALLERY CARS

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

WHEREAS, in March 2007, the Operations Board granted authority to sell up to 25 railcars in anticipation of the new railcar delivery beginning this December; and,

WHEREAS, VRE received an offer to purchase Gallery cars 8730, 8731, 8739, 8740, and 8742 for \$1 each; and,

WHEREAS, VRE staff have determined that this offer is acceptable.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board recommends that the Commissions authorize the Chief Executive Officer to sell five Gallery cars, numbers 8730, 8731, 8739, 8740, and 8742 to Dan Behr Associates for \$1.00 each.

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.

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

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.

AGENDA ITEM 8-C
ACTION ITEM

TO: CHAIRMAN KAUFFMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: SEPTEMBER 21, 2007

RE: AUTHORIZATION TO INCREASE SOUNDER AUTHORITY

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to increase the authorization limit by \$500,000 from \$8,226,000 to \$8,726,000 for the continued lease of one set of high capacity rail cars from Sound Transit.

BACKGROUND:

In 2001, VRE entered into a lease with Sound Transit for three sets of railcars. In 2005, VRE returned the first set of cars. Additional equipment was returned in 2006 and 2007, leaving only one six-car train set in service. Operations Board authority for this lease from 2001 through the present totals \$8,226,000 and will only carry the current equipment through the end of 2007. VRE needs to retain possession of this set until several shipments of the new cars arrive. As such, VRE staff recommends the continuation of the lease through June 30, 2008 at a cost of \$500,000.

FISCAL IMPACT:

Funding is available from the Sounder Lease project in the VRE capital budget. Funding is provided using a FY 2006 federal grant. Local match is being provided using state and local funds.

TO: CHAIRMAN KAUFFMAN AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: SEPTEMBER 21, 2007
RE: AUTHORIZATION TO INCREASE SOUNDER AUTHORITY

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

WHEREAS, VRE currently has one remaining set of equipment in service under a lease agreement with Sound Transit; and,

WHEREAS, the Operations Board has authorized \$8,226,000 for this lease, which will only carry the current equipment through the end of 2007; and,

WHEREAS, to sustain VRE's present seating capacity, it is necessary to retain this last train set until several sets of new cars are delivered to VRE and put into service; and,

WHEREAS, VRE recommends increasing the authorization limit for the lease of one set of high capacity rail cars from Sound Transit.

NOW, THEREFORE, BE IT RESOLVED THAT the VRE Operations Board recommends that the Commissions authorize the Chief Executive Officer to increase the authorization limit by \$500,000, from \$8,226,000 to \$8,726,000, for the continued lease of one set of high capacity rail cars from Sound Transit.

AGENDA ITEM 8-D
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 MAIN GENERATOR BEARING REPAIRS**

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to issue a task order to Transportation Technologies, Inc. (TTI) to perform repairs to locomotive main generator bearings in an amount not to exceed \$242,000.

BACKGROUND:

As part of ongoing efforts to improve locomotive maintenance, VRE staff recently determined that the bearings between the main generators and the prime mover diesel should be inspected and lubricated on an annual basis and replaced as required. Up until this time, Amtrak had not been performing such inspections as part of the annual inspection task work.

While the bearings have a life expectancy of approximately seven years, VRE staff believe that this inspection work will prevent locomotive failures in the future. This work will be performed in the field, including bearing replacements, if required.

FISCAL IMPACT:

Funding for this task order is provided from the FY 2007 Operation budget.

TO: CHAIRMAN KAUFFMAN AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: SEPTEMBER 21, 2007
RE: AUTHORIZATION TO ISSUE A TASK ORDER FOR
LOCOMOTIVE MAIN GENERATOR BEARING REPAIRS

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

WHEREAS, as part of ongoing efforts to improve locomotive maintenance efforts, VRE staff is recommending annual inspection of locomotive main generator bearings; and,

WHEREAS, Transportation Technology, Inc. (TTI) is already under contract with VRE to perform locomotive repair services; and,

WHEREAS, such inspections and any necessary bearing replacements will be conducted in the field.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to issue a task order to Transportation Technologies, Inc. (TTI) to perform repairs to locomotive main generator bearings in an amount not to exceed \$242,000.

AGENDA ITEM 8-E
ACTION ITEM

TO: CHAIRMAN KAUFFMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: AUGUST 21, 2007

RE: AUTHORIZATION TO EXERCISE FACILITIES MAINTENANCE SERVICES CONTRACT OPTION

RECOMMENDATION:

The VRE Operations Board is recommending that the Commissions authorize the VRE Chief Executive Officer to exercise the third-year option of the facilities maintenance contract with NV Enterprises, Inc. in an amount not to exceed \$2,000,000.

BACKGROUND:

In June of 2004, the Operations Board approved a facilities maintenance contract (base year plus four one-year renewable options) with NV Enterprises for facilities maintenance services. Since that time, two option years have been executed with the current year of the contract to expire on October 31, 2007. This year, the total annual contract value is being reduced from \$2,500,000 to \$2,000,000. This reduction is being made in the task order work/elective projects, not general maintenance, and is being lowered to coincide with the current available budget. A 3.76 percent increase in general station work expenses is being added to the base contract.

The facilities budget is financed using both operating and capital funds. The FY 2007/2008 facilities maintenance budget which funds this contract includes \$1.55 million in operating funds for general facilities repairs and maintenance. The remaining \$443,000 is funded through specific capital projects and managed through task orders.

General facilities maintenance includes daily cleaning of the stations and some parking facilities, landscaping and repairs. Previous task order work includes rehabilitation of the Fredericksburg Station and station painting and installation of new communication cabinets at stations. Examples of upcoming task order work includes station painting, installation of windbreaks, lighting and communication improvements.

FISCAL IMPACT

This contract is funded through the facilities line item of the FY 2007 and FY 2008 VRE Operating budget and project specific grants in the VRE Capital Budget.

TO: CHAIRMAN KAUFFMAN AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: SEPTEMBER 21, 2007
RE: AUTHORIZATION TO EXERCISE FACILITIES MAINTENANCE SERVICES CONTRACT OPTION

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

WHEREAS, in June of 2004, the Operations Board approved a facilities maintenance contract (base year plus four one-year renewable options) with NV Enterprises for facilities maintenance services; and,

WHEREAS, since that time, two option years have been executed with the current year of the contract to expire on October 31, 2007; and,

WHEREAS, the total annual contract value is being reduced from \$2,500,000, as in previous years, to \$2,000,000 due to budget limitations.

NOW, THEREFORE BE IT RESOLVED THAT, the VRE Operations Board recommends that the Commissions authorize the VRE Chief Executive Officer to exercise a third-year option of the facilities maintenance contract with NV Enterprises, Inc. in an amount not to exceed \$2,000,000.

AGENDA ITEM 8-F
ACTION ITEM

TO: CHAIRMAN KAUFFMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: SEPTEMBER 21, 2007

**RE: AUTHORIZATION TO EXTEND PERSONAL SERVICE
CONTRACT FOR VRE CONTRACT EMPLOYEE**

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the VRE Chief Executive Officer to extend the term of a personal service contract with Terri Anomnachi to serve as the project engineer for fare collection system and SmarTrip integration support for a period not to exceed three years.

BACKGROUND:

In August of 2003, VRE hired Ms. Anomnachi as an independent contractor to aid VRE staff in completing the Fare Collection II (FC II) equipment procurement. The personal service contract was executed under the Chief Executive Officer's purchasing authority.

At the August 20, 2004 meeting, the VRE Operations Board authorized the hiring of an independent contractor to serve as project engineer in support of the integration of VRE in the regional SmarTrip program over a three year period. Ms. Anomnachi was selected for that position and a new independent contractor agreement was executed in November 2004 to expand the scope of the services provided to include both the general fare collection system and SmarTrip technical support.

VRE SmarTrip implementation has been deferred due to delays in WMATA deployment of the software system necessary to enable the use of SmarTrip cards with the VRE fare collection system.

VRE is proceeding to upgrade its fare collection system software and hardware as an initial step towards SmarTrip integration via an amendment to the existing Scheidt and Bachmann FC II equipment procurement contract. This first phase can be completed independent of WMATA's SmarTrip deployment schedule. In addition to developing VRE's plan to integrate its equipment with the regional SmarTrip system, Ms. Anomnachi provides day-to-day oversight of the fare collection system maintenance contract.

The current contract with Ms. Anomnachi is set to expire in November of 2007. The VRE Operations Board is, therefore, being asked to extend the agreement for three additional years, until November of 2010. No additional funding is being requested as only \$148,242 has been spent from the authorized amount of \$359,169.

FISCAL IMPACT:

There is no fiscal impact associated with this action. Funding for this position is included in VRE's Capital Improvement Program (CIP) as part of the SmarTrip project and in the annual Operating Budget.

TO: CHAIRMAN KAUFFMAN AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: SEPTEMBER 21, 2007
RE: AUTHORIZATION TO EXTEND PERSONAL SERVICE
CONTRACT FOR VRE CONTRACT EMPLOYEE

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

WHEREAS, in November 2004, VRE contracted with an independent contractor to perform Fare Collection II and SmarTrip support duties; and,

WHEREAS, there is an ongoing need for technical support related to the VRE fare collection system operations and integration of the system with the regional SmarTrip system; and,

WHEREAS, the services provided by Terri Anomnachi are essential to the continued successful operation of the fare collection system and the development and implementation of VRE's SmarTrip integration plan.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to extend the term of a personal service contract with Terri Anomnachi as the fare collection system project engineer for three additional years, until November of 2010.