

AGENDA ITEM 8-A
CONSENT AGENDA ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: AUGUST 15, 2008

RE: AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSALS FOR THE REPAIR AND OVERHAUL OF AIR BRAKE EQUIPMENT

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to issue a Request for Proposals (RFP) for the repair and overhaul of air brake equipment.

BACKGROUND:

In March of 2007, a solicitation was issued for repair and overhaul of air brake equipment. The Operations Board awarded a contract to Touchton Industries of Jacksonville, Florida, in April of 2007. The one-year contract with two one-year options was signed in May of 2007 and the first option year was approved in May 2008.

Last month, VRE was notified that Touchton's insurance had lapsed, causing VRE to immediately place them on suspension. VRE then received notice from Touchton that they could no longer financially justify carrying the umbrella insurance required by the contract. On July 31, 2008, a notice of default was sent to Touchton and they were given 10 calendar days to cure. They have failed to cure that default.

As VRE still requires these services, a request is being made to re-advertise the work. Work in the interim will be managed via purchase orders to other companies.

FISCAL IMPACT:

Funding will be drawn from the FY 2009 - 2011 Operating Budgets over the three-year period.

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RESOLUTION
8A-08-2008
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, the current contractor for the repair and overhaul of VRE's air brake equipment is in default of the contract; and,

WHEREAS, the contractor notified VRE that he will not cure that default; and,

WHEREAS, VRE remains in need of air brake equipment repair and overhaul services.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to issue a Request for Proposals for the repair and overhaul of air brake equipment.