

**AGENDA ITEM 8-A**  
**ACTION ITEM**

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

**FROM: DALE ZEHNER**

**DATE: SEPTEMBER 19, 2008**

**RE: AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSALS FOR OPERATIONS AND SERVICES CONTRACT**

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**RECOMMENDATION:**

The VRE Operations Board is being asked to authorize the Chief Executive Officer to issue a Request for Proposals (RFP) for VRE's Operating and Services Contract.

**BACKGROUND:**

Since 1992, Amtrak has provided all transportation and mechanical services for VRE as a sole-source provider. The current contract, which has been extended several times, will expire on June 30, 2010. While Amtrak was seen as the only viable operator in 1992, there are numerous credible companies ready to provide rail services today. Over the past five years, efforts have been underway to create maintenance infrastructure in the VRE yards to allow for the complete assumption of railcar and locomotive maintenance/repair within VRE outlying yard facilities. With completion of the construction of maintenance facilities at the Crossroads yard this fall, VRE will possess sufficient facilities for a third party contractor to perform all routine and intermediate maintenance of VRE locomotives and railcars.

The RFP will solicit proposals from a single third party to assume full responsibility for VRE's train operations, locomotive and railcar equipment maintenance/repair, yard operations, and warehouse management. The vast majority of commuter rail agencies in this country who do not directly employ staff operators have competitively procured for these services. While consideration was given to the option of procuring these services independently, rather than as a package, it was decided against given VRE's

size and circumstances. VRE has been contacted by numerous prospective proposers requesting notification of the posting of this RFP. As such, VRE staff believes that the RFP will result in a vigorous competition.

The RFP is planned to be published by March 2009, with proposals due in October 2009. Under the CEO's authority, task orders were issued to VRE's general engineering consultant for assistance with procurement issues related to management and another to VRE's mechanical engineering consultant for issues related to mechanical. The contract is expected to be awarded by January 2010, allowing for a six month transition period, if necessary due to contract award to a proposer other than Amtrak. Based on discussions at the last Operations Board meeting, VRE staff is developing potential options regarding the transition period.

**FISCAL IMPACT:**

There is no fiscal impact associated with the issuance of this solicitation.

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**FROM: DALE ZEHNER**  
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**RESOLUTION  
8A-09-2008  
OF THE  
VIRGINIA RAILWAY EXPRESS  
OPERATIONS BOARD**

**WHEREAS**, Amtrak currently provides all VRE transportation and mechanical services under a Operations and Services contract; and,

**WHEREAS**, Amtrak has been the sole source holder of this contract since 1992; and,

**WHEREAS**, unlike in 1992, there are now numerous, credible third party contractors who are interested in assuming these responsibilities for VRE; and,

**WHEREAS**, Amtrak's current contract expires June 30, 2010; and,

**WHEREAS**, to give the rail services industry the opportunity to compete to provide transportation and mechanical services for VRE, an RFP must be issued by March 1, 2009.

**NOW, THEREFORE, BE IT RESOLVED THAT**, the VRE Operations Board authorizes the Chief Executive Officer to issue a Request for Proposals (RFP) for VRE's Operating and Services Contract.