

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

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.

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

**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.

AGENDA ITEM 8-B
ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: SEPTEMBER 19, 2008

**RE: AUTHORIZATION TO APPROVE A TASK ORDER FOR THE
INSTALLATION OF LOCOMOTIVE MAINTENANCE EQUIPMENT AT
THE CROSSROADS YARD**

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to execute a task order with STV, Inc. for the installation of locomotive maintenance equipment in the new engine house at the VRE Crossroads yard in an amount not to exceed \$86,000.

BACKGROUND:

In anticipation of the new maintenance facility and engine house being completed at the VRE Crossroads yard, a load bank device used to test locomotive head end power units (HEPs) was acquired. The HEP units provide power to the train for lighting, air conditioning, heat, etc. The load bank device simulates load demands to provide information as to how the HEP is performing. This device requires outside placement on a pad as well as a hard wired control panel located at a remote location inside the engine house.

VRE requested a task order estimate from STV, VRE's mechanical engineering consultant, to create drawings for the installation. STV will also hire and manage the sub-contractors necessary to complete the installation. The Crossroads yard maintenance facility is expected to be completed by the end of October.

FISCAL IMPACT:

Funding for this project is included in VRE's Capital Improvement Program (CIP) as part of the rolling stock modification project. Funding is being provided using a federal grant with match coming from both state and local funds.

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: SEPTEMBER 19, 2008
RE: AUTHORIZATION TO APPROVE A TASK ORDER FOR THE
INSTALLATION OF LOCOMOTIVE MAINTENANCE EQUIPMENT AT
THE CROSSROADS YARD

RESOLUTION
8B-09-2008
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, in anticipation of the new maintenance facility and engine house being completed at the VRE Crossroads yard, a load bank device used to test locomotive HEPs was acquired; and,

WHEREAS, this device requires outside placement on a pad as well as a hard wired control panel located at a remote location inside the engine house; and,

WHEREAS, via a task order, STV will create drawings for the installation as well as hire and manage the sub-contractors necessary to complete the installation.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to execute a task order with STV, Inc. for the installation of locomotive maintenance equipment in the new engine house at the VRE Crossroads yard in an amount not to exceed \$86,000.

AGENDA ITEM 8-C
ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: SEPTEMBER 19, 2008

**RE: AUTHORIZATION TO AMEND A TASK ORDER FOR RAILCAR
CAMERA MODIFICATIONS**

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to amend a task order with STV for the installation of cameras to the eleven base order Gallery cars purchased from Sumitomo Corporation of America by \$45,595, for a total amount not to exceed \$83,728.

BACKGROUND:

Following the production of the eleven base order cab cars, but prior to the production of the 50 option order Gallery cars, VRE determined that adding front-viewing cameras and engineer monitors to all cab cars would enhance passenger safety. These cameras would provide the locomotive engineers with forward views of a blind spot immediately ahead of the cab cars. A change order was subsequently issued for \$128,600, within the project contingency, for all ten cab cars included in the 50 option order.

However, as the eleven base order cab cars were already in service, it became necessary to modify them in the field. VRE issued a task order to STV, under the CEO's authority, in the amount of \$38,133 for the installation of eleven cameras. This cost estimate was based on a review of design drawings and was found to be insufficient once field work began. The amount of disassembly, stainless steel drilling, and wire running was beyond what was anticipated and additional authority is now required.

FISCAL IMPACT:

Funding for this project is included in VRE's Capital Improvement Program (CIP) as part of the Gallery car project. Funding is being provided using a federal grant with match coming from both state and local funds.

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: SEPTEMBER 19, 2008
**RE: AUTHORIZATION TO AMEND A TASK ORDER FOR RAILCAR
CAMERA MODIFICATIONS**

**RESOLUTION
8C-09-2008
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD**

WHEREAS, front-viewing cameras and engineer monitors were installed in all ten option order railcars via a change order to the contract; and,

WHEREAS, installation of the same camera operation in the eleven base order cab cars required a retrofit in the field as the cars were already in service; and,

WHEREAS, STV, VRE's mechanical engineering consultant, was asked to prepare a task order for this work; and,

WHEREAS, based upon review of the engineering drawings of the cab cars, STV proposed \$38,133; and,

WHEREAS, the amount of disassembly, stainless steel drilling, and wire running was beyond what was anticipated and additional authority is now required.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to amend a task order with STV for the installation of cameras to the eleven base order Gallery cars purchased from Sumitomo Corporation of America by \$45,595, for a total amount not to exceed \$83,728.

AGENDA ITEM 8-D
ACTION ITEM

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: SEPTEMBER 19, 2008

**RE: AUTHORIZATION TO EXERCISE THE FIRST OPTION YEAR OF
THE LOCOMOTIVE LUBE OIL CONTRACT**

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to execute the first option year of a contract with Quarles Petroleum for the provision of lube oil delivery services at both VRE yards in an amount not to exceed \$400,000.

BACKGROUND:

In August of 2007, the VRE Operations Board authorized execution of a contract with Quarles Petroleum of Fredericksburg, Virginia for the provision of lube oil and other locomotive fluids used to top off the locomotives in the Virginia yards. Prior to the award of this contract, lube oil and associated products were added to VRE's locomotive fleet by Amtrak personnel in Washington during the mid-day. As maintenance functions shifted to the VRE yards, this work began to be performed during the night time layover in the Virginia yards.

The base year of this contract was approved in an amount not to exceed \$300,000, of which \$280,000 has been spent to date. Given the volatility of the fuel market, the contract allowed the vendor to request pricing adjustments once every ninety days. During the latter half of the base contract year, VRE experienced a 25% increase in the price of the products. As such, in an effort to

prepare for additional potential price increases, VRE is seeking authority for \$400,000. Pricing increase requests are only permitted on a pass through basis and require evidence of the same increase in the product price to the vendor. Pricing was provided on a fixed price per item basis and includes freight. VRE staff will return to the Board next year for permission to exercise the second and final option year.

FISCAL IMPACT:

Funding for this project is available from the FY 2009-2010 Operating budgets.

TO: CHAIRMAN JENKINS AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: SEPTEMBER 19, 2008
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THE LOCOMOTIVE LUBE OIL CONTRACT

RESOLUTION
8D-09-2008
OF THE
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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 were shifted to the VRE yards, this work is now being 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, in August of 2007, the VRE Operations Board authorized execution of a contract with Quarles Petroleum of Fredericksburg, Virginia for the provision of these services; and,

WHEREAS, authorization for the first option year is now being requested.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to execute the first option year of a contract with Quarles Petroleum for the provision of lube oil delivery services at both VRE yards in an amount not to exceed \$400,000.