

AGENDA ITEM 9-A
ACTION ITEM

TO: INCOMING CHAIRMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: JANUARY 23, 2009

**RE: AUTHORIZATION TO AMEND THE CONTRACT FOR WAREHOUSE
MANAGEMENT**

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to amend the contract with RailPlan International, Inc., for the management of the VRE warehouse in Manassas, Virginia, by extending the contract through June 30, 2010 in an amount not to exceed \$402,000.

BACKGROUND:

In April of 2006, a contract was awarded to RailPlan for the management of the VRE parts warehouse in Manassas. The contract was in the amount of \$750,000 over a three year period. Work included limited purchasing activity, management of materials for 45 gallery cars and maintenance of VRE's technical library. In April of 2007, an amendment was made to the contract to add oversight of the new car inventory and all car part purchasing, which caused the contract to be amended by \$81,102 per year. The total contract value now stands at \$912,204 over the three year period.

VRE intends to award a new Operations and Maintenance contract to become effective on July 1, 2010, which included management of the VRE warehouse. The second, and final, option year of this contract expires in April of 2009.

After consultation with VRE counsel, it was determined that the limited duration of this contract, coupled with the extensive costs incurred by a new firm to train and mobilize, would make it cost prohibitive for a new proposer to successfully submit a proposal.

If the option to advertise a wholly new RFP for these services for fourteen months were pursued, a new warehouse management firm is estimated to require two months to become fully and reliably trained in the use of the warehouse inventory control software system. As such, it was concluded that the existing firm would have an unfair advantage over new proposers.

VRE has negotiated a contract extension in the amount of \$402,000 for fourteen months (\$28,714/month). This is 4% higher than the existing monthly cost of \$27,592 per month. VRE found this increase to be reasonable and is recommending award of said extension.

FISCAL IMPACT:

Funding for this task order will come from the FY 2009 and FY 2010 operating budgets.

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RE: AUTHORIZATION TO AMEND THE CONTRACT FOR WAREHOUSE
MANAGEMENT

RESOLUTION
9A-01-2009
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, the current contract for warehouse management services expires in April of 2009; and,

WHEREAS, on July 1, 2010, the execution of these services will fall on VRE's then new holder of the Operations and Maintenance Services Contract; and,

WHEREAS, due to extensive mobilization costs, VRE staff reasonably expects that advertising and then awarding this contract for a fourteen month period will result in very costly proposals; and,

WHEREAS, this analysis has led VRE to recommend a contract extension to the incumbent firm.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to amend the contract with RailPlan International, Inc., for the management of the VRE warehouse in Manassas, Virginia, by extending the contract through June 30, 2010, in an amount not to exceed \$402,000.

AGENDA ITEM 9-B
ACTION ITEM

TO: INCOMING CHAIRMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: JANUARY 23, 2009

RE: AUTHORIZATION TO AWARD CONTRACT FOR SEPTIC TANK PUMPING OF VRE FLEET

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to enter into a contract with Don's Johns, Inc. of Chantilly, Virginia, for septic tank pumping services for the VRE fleet in the amount of \$238,000 over a three year period.

BACKGROUND:

In August 2005, the Operations Board authorized the award of a contract for septic tank pumping services for VRE's fleet. The contract was for a base year plus two additional one-year options. The end of the second option year was December 2008. For reasons discussed below, a purchase order was issued to cover the time period between December and the award of this contract.

Ten railcars in VRE's fleet, the older gallery cars from Chicago, have retention tanks which must be serviced three times per week. It is also VRE's maintenance policy to pump, flush, and recharge the systems on its 41 new toilet cars annually, as a means of insuring their reliable operation.

In March 2008, the Operations Board authorized the issuance of an RFP for these services. On October 2, 2008 a procurement was issued for a new contract and proposals were due on November 7, 2008. One proposal was received at that time and it exceeded the budget for this service.

The solicitation was cancelled and a second RFP was posted on November 25, 2008, with proposals due on January 5, 2009. As noted above, a purchase order was issued to provide these services on a temporary basis. One proposal was received that was less than the bids received during the first solicitation. Following review, a recommendation is being made to award the contract to Don's Johns.

VRE staff recommends that the term of the contract should be for one year, with options for two additional years, exercised at the discretion of the CEO.

FISCAL IMPACT:

Funding for this contract is supplied by the FY 2009 – FY 2012 Operating budgets.

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**RESOLUTION
9B-01-2009
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD**

WHEREAS, VRE must pump car fleet toilet tanks on a regular basis; and,

WHEREAS, the current contract for these services expired in December 2008; and,

WHEREAS, a competitive solicitation was performed and a recommendation to award is now being made.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to enter into a contract with Don's Johns, Inc. of Chantilly, Virginia, for septic tank pumping services for the VRE fleet in an amount not to exceed \$238,000 over a three year period.