



Virginia Railway Express

# News Release

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## Commissions Approve New Operating and Maintenance Services Contract with Keolis

**ALEXANDRIA, November 6, 2009** – The Northern Virginia and Potomac and Rappahannock Transportation Commissions voted last night to approve a five year contract with Keolis Rail Services America (Keolis) for commuter rail operations and maintenance services. This approval follows a Virginia Railway Express (VRE) Operations Board recommendation for award which occurred on October 16, 2009. The contract includes train operations, locomotive and railcar equipment maintenance and repair, yard operations, and warehouse management.

“Keolis brings solid rail experience with a management team who collectively has over 90 years of experience working for American railroads,” stated Dale Zehner, VRE Chief Executive Officer. He went on to say, “the maintenance team is made up of the two firms currently providing exceptional maintenance services for VRE and Keolis has committed to retaining all personnel currently employed on VRE trains.”

“This was a well executed procurement process which resulted in one unambiguous winner,” said VRE Chairman, Chris Zimmerman. Zimmerman added that, “Both state and federal law require VRE to compete this contract; and the competitive process was something the Federal Transit Administration (FTA) had encouraged VRE to do for some time.” The procurement was conducted according to the legal requirements of Virginia laws. A VRE staff evaluation committee, independent of the Operations Board, Commissions, and CEO scored the proposals and presented recommendations. Applicants were scored on their ability to demonstrate responsiveness to the published evaluation criteria. According to Chairman Zimmerman, “Keolis outscored the other three proposers on every one of the evaluation criteria by a substantial margin, and offered a lower price than any of the other proposers.”

Zehner added that “Keolis has an impeccable safety record in Europe and that experience will be carried over to their operation in the United States.” Because FRA requirements are law, every employee working on the VRE territory must qualify under FRA rules. Zehner elaborated that, “work is already underway with VRE’s host railroads, CSX and Northern Southern, and the FRA to implement safety plans and procedures which meet all FRA requirements.”

In approving the contract award, the Commissions and VRE Board emphasized the importance of the employees who currently provide the service. “An important component of this contract is the retention of the employees who provide service to VRE passengers every day. These men and woman are instrumental in VRE’s success, and we hope that they will choose to stay with the VRE family,” said Chairman Zimmerman. Under the agreement, Keolis will offer each conductor and engineer currently in VRE service the opportunity to join Keolis without any loss in compensation. Keolis will offer equivalent wages with no change in benefits or seniority and railroad retirement – as well as a signing bonus.

Keolis will assume operations on July 1, 2010, with a transition period running from December 1, 2009 to June 30, 2010. The contract term is five years with two five year renewal options. The first eighteen months of the contract was approved in the amount of \$18.5 million.

For more information on this contract or other VRE issues, please contact Mark Roeber at [mroeber@vre.org](mailto:mroeber@vre.org) or 703-838-5416. Questions about Keolis Rail Services America may be directed to Steve Townsend, Executive Vice-President of Keolis Rail Services America, at (301) 251-5612.

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