To: Chairman Smedberg and the VRE Operations Board

From: Doug Allen

Date: October 18, 2013

Re: Authorization to Award a Contract for the Delivery of Brake Shoes

Recommendation:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to execute a contract with Railroad Friction Products Corporation of Laurinburg, North Carolina for the purchase of brake shoes in the amount of $193,118, plus a 15% contingency of $28,968, for a total amount not to exceed $222,086.

Background:

VRE currently uses several different types of brake shoes for the locomotive and passenger car fleets. The current contract for the delivery of brake shoes will expire on November 25, 2013.

On June 21, 2013, the VRE Operations Board approved a request to issue an Invitation for Bids (IFB) for the delivery of brake shoes. A mailing list of eight (8) prospective Bidders was established for the solicitation to ensure access to adequate sources of services. On August 21, 2013, an IFB was issued and bids were due on September 23, 2013.

Only one (1) response was received. The staff conducted a survey to determine why only a single bid was received and is satisfied with the result. The staff has also certified that the price is fair and reasonable.
The following is a summary of survey responses received regarding the decision not to submit a bid:

- Three organizations voiced that they felt that they could not be competitive with respect to their total bid price.

- Another respondent stated that they no longer supply brake shoes that met the required specifications included in the Invitation for Bids.

- A third respondent indicated that they did not have ample time to test their product against VRE’s specifications to ensure compliance.

The bid tabulation is as follows:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Bid Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Railroad Friction Products Corporation</td>
<td>$64,373 for One (1) Year</td>
</tr>
</tbody>
</table>

After review of the bid, it was determined that Railroad Friction Products was the lowest responsive-responsible bidder.

The contract will be for a base year and two option years, with the VRE CEO exercising the option years at his discretion. This authorization allows work to begin.

**Fiscal Impact:**

Funding is provided for in the FY 2014 through FY 2016 operating budgets for locomotive and rail equipment material.
Authorization to Award a Contract for the Delivery of Brake Shoes

WHEREAS, VRE currently uses several different types of brake shoes for the locomotive and passenger car fleets; and,

WHEREAS, the current contract for the delivery of brake shoes expires in November of 2013; and,

WHEREAS, a competitive solicitation was completed and the lowest responsive and responsible bidder is being recommended for contract award.

NOW, THEREFORE, BE IT RESOLVED THAT, The VRE Operations Board is being asked to authorize the Chief Executive Officer to execute a contract with Railroad Friction Products Corporation of Laurinburg, North Carolina for the delivery of brake shoes in the amount of $193,118, plus a 15% contingency of $28,968, for a total amount not to exceed $222,086. The contract will be for a base year and two option years, with the VRE CEO exercising the option years at his discretion.

Approved this 18th day of October 2013

Paul Smedberg
Chairman

John Cook
Secretary