Agenda Item 8-A
Action Item

To: Chairman Smedberg and the VRE Operations Board

From: Doug Allen

Date: October 18, 2013

Re: Approval of Financial and Debt Management Principles and Referral to Commissions

______________________________

Recommendation:

The VRE Operations Board is being asked to approve the Financial and Debt Management Principles and refer them to the Commissions for their review and approval.

Background:

A Capital Committee of the Operations Board was established by the Chairman in December 2012. The Committee is chaired by Mr. Way and current members are Mr. Cook, Mr. Zimmerman, Mr. Jenkins, Mr. Milde and Mr. Skinner. The Committee responsibilities were defined as the following:

- To establish and maintain a set of Financial and Debt Management Principles for VRE
- To provide an in-depth review of major capital needs
- To analyze capital funding sources and identify new sources and mechanisms

The Financial and Debt Management Principles were developed with the assistance of PFM, VRE’s financial advisor and comments were solicited from the CAO Task Force, the Commissions and DRPT. The development and implementation of
financial and debt policies is a best practice for financial management, provides a framework for evaluating the long term impact of current decisions, and supports high quality credit ratings, if needed. The adoption of the Financial and Debt Management Principles confirms the commitment of VRE’s Operations Board, the Commissions, and the management of VRE to adhere to sound financial and debt management practices in the conduct of VRE’s business.

The topics that the Committee reviewed and discussed in the most detail concerned levels and types of reserve funds; parameters for debt issuance, such as limitations on annual debt service as a percentage of the annual budget; and how best to incorporate the life cycle needs of major assets in the budget and capital planning process. The list of Principles recommended by the Committee is attached. Once approved by the Operations Board, they will be forwarded to the Commissions for their further review and approval.

**Fiscal Impact:**

The Financial and Debt Management Principles will be reflected in future budgetary and debt decisions by the Operations Board and Commissions.
Virginia Railway Express
Operations Board

Resolution
8A-10-2013

Approval of Financial and Debt Management Principles and
Referral to Commissions

WHEREAS, a Capital Committee of the Operations Board was established by the
Chairman in December 2012 in order to establish a set of Financial and Debt
Management Principles for VRE and for other purposes; and,

WHEREAS, the Committee has developed a set of such Principles, with the advice
and assistance of PFM, the financial advisor to VRE; and,

WHEREAS, the Committee has solicited input from the CAO Task Force, the
Commissions and DRPT in the development of these Principles.

NOW, THEREFORE, BE IT RESOLVED THAT the VRE Operations Board approves
the Financial and Debt Management Principles and authorizes the Chief Executive
Officer to forward these Principles to the Commissions for their review and approval.

Approved this 18th day of October 2013

___________________________________________
Paul Smedberg
Chairman

___________________________________________
John Cook
Secretary
The purpose of this document is to formalize financial and debt management principles for the Virginia Railway Express (VRE), the commuter rail service jointly owned and operated by the Northern Virginia Transportation Commission (NVTC) and the Potomac and Rappahannock Transportation Commission (PRTC), together referred to as the Commissions. In accordance with the Master Agreement that established VRE, any bonds or notes issued to support the commuter rail operation will be issued in the name of NVTC, with the concurrence of both Commissions and all member jurisdictions. This Statement of Financial and Debt Management Principles confirms the commitment of VRE’s Operations Board, the Commissions, and the management and staff of VRE to adhere to sound financial and debt management practices in the conduct of VRE’s business.

**Financial and Debt Management Principles**

1. Any debt or financing arrangement issued in support of VRE projects must be in full compliance with all applicable provisions of the Commonwealth of Virginia statutes, federal laws and the VRE Master Agreement.

2. Any long term debt issued in support of VRE projects will be included in VRE’s Capital Improvement Program and Six Year Financial Forecast and debt will only be issued for approved capital projects. Prior to issuance, VRE will forecast the long-term impact of such debt on the use of federal formula funds, the impact on VRE’s six year plan, the annual contributions required from its member jurisdictions over the term of the debt, and to test compliance with the financial ratios described below.

3. VRE strives to attain the following financial ratios over its Six Year Plan:
   a. A fare box recovery ratio not lower than 50% of operating expenses.
   b. Debt service as a percent of annual budget not greater than 20%.
   c. Percent of pay-as-you-go financing equal to a minimum of 20% of the total funded portion of the capital program over the term of the capital program.
   d. Working capital reserves that are on average not less than 2 months of operating expenditures, with a goal of increasing to 3 months over a 10 year period.
   e. Risk management reserves equal to amounts imposed by the Commonwealth. Currently the risk management reserve requirement is $10 million.

4. VRE will match one time revenue with one time expenditures to avoid creating structural imbalance in its annual budgets.

5. Projects included in VRE’s Capital Improvement Program will be prioritized with emphasis on regulatory requirements, the maintenance of equipment and facilities to support current service levels, and provisions for passenger safety.

6. The capital reserve will be maintained through the contribution of surplus funds generated from operations and from other sources in order to provide the necessary match funds to take advantage of grant funding opportunities and to complete advantageous capital projects.
7. VRE will maintain an asset management plan for all major capital assets which will identify operating, maintenance and renewal costs over the life of the asset. If a reliable source of funding is not expected to be available to meet peak needs when they occur, a sinking fund will be established for this purpose. The annual budget and Capital Improvement Program will include the life-cycle cost impact of each project in the CIP.

8. VRE will maintain access to external liquidity sources, such as a line of credit, because of the heavy reliance on funding from other parties. This short term borrowing will only be used with the approval of the Operations Board and when the source of repayment has been identified.

9. Debt that supports VRE projects will be amortized for a period not to exceed the useful life of the assets being financed.

10. For any publicly sold debt to support VRE projects:
   a. Debt service funds will be established at the time of issuance and contributions will be made on a monthly basis so that amounts are available to ensure timely payment of principal and interest when due.
   b. A debt service reserve fund will be established (as needed by the revenue bond structure or for credit purposes) to provide a cushion of funding for the debt obligations. Such funds will be sized to equal maximum annual debt service, subject to limitations imposed by the IRS for funding of such reserves.
   c. The bond structure will be sufficient to secure a rating in the A- category or better.

11. The debt service structure that supports VRE projects will be developed and maintained to achieve strong credit ratings while addressing the overall revenue constraints and capacity of VRE. Total principal and interest payments for any borrowing will be structured to create level debt service in aggregate for VRE. Alternatively, VRE may use a more rapid repayment structure, such as equal annual principal payments. The use of back loaded principal repayment, bullet and balloon maturities will be avoided, except to achieve overall level aggregate debt service or to match anticipated one time revenues.

12. As needed, VRE will establish and maintain a separate set of post issuance policies and procedures for managing any required disclosure, tax or other legal requirements.

13. The use of variable rate debt is discouraged, except under unusual circumstances. However, should it be found to be in VRE’s best interest to use this mechanism, the Operations Board and Commissions will first establish appropriate policies and procedures.
To: Chairman Smedberg and the VRE Operations Board

From: Doug Allen

Date: October 18, 2013

Re: Approval of Joint Audit Committee as VRE Operations Board Audit Committee

Recommendation:

The VRE Operations Board is being asked to approve the creation of a VRE Audit Committee, the members of which shall be the members of the Joint Audit Committee created by the Commissions.

Background:

In response to the recent report by the Auditor of Public Accounts (APA) on the governance structure of VRE, the Operations Board recommended that the Commissions establish a joint audit committee for the purpose of reviewing the APA report, making recommendations on the report findings, and arranging for a management audit as recommended in the report. The Joint Audit Committee was created by the Commissions at their respective meetings on October 2, 2013.

Under the terms of the Master Agreement, the Operations Board is required to have an annual financial audit of VRE operations as part of the Board’s financial oversight responsibilities. As part of the audit process, the independent financial auditors are required to have direct communication with the Operations Board. Although the Executive Committee has fulfilled this function in prior years, a formally created VRE Audit Committee is the appropriate mechanism for this communication. In order to avoid
confusion, the members of the Joint Audit Committee established by the Commissions and the members of the VRE Audit Committee should be the same.

The purpose and functions of the VRE Audit Committee are attached.

**Fiscal Impact:**

The creation of the VRE Audit Committee has no direct fiscal impact.
Virginia Railway Express
Operations Board

Resolution
8B-10-2013

Approval of Joint Audit Committee as
VRE Operations Board Audit Committee

WHEREAS, at the request of the Operations Board, a Joint Audit Committee was created by
the Commissions on October 3, 2013; and,

WHEREAS, an Audit Committee created by the Operations Board is required to provide a
mechanism for the independent financial auditors to communicate directly with the
Operations Board; and,

WHEREAS, in order to avoid confusion, the members of the Joint Audit Committee
established by the Commissions and the members of the VRE Audit Committee should be
the same.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board approves the
creation of a VRE Audit Committee with the purpose and functions outlined in the attached
materials, and the members of which shall be the members of the Joint Audit Committee
created by the Commissions.

Approved this 18th day of October 2013

__________________________
Paul Smedberg
Chairman

__________________________
John Cook
Secretary
Policy

The members of the NVTC/PRTC Joint Audit Committee will also serve as the members of the VRE Audit Committee. The functions and purpose of the Audit Committee are described below. *(Operations Board meeting October 18, 2013)*

**Purpose and Functions of Audit Committee**

The purpose of the Audit Committee is to provide an institutional framework that allows the Operations Board to ensure that VRE’s internal control and financial reporting are reliable and to ensure that any audit findings are reviewed and remedies implemented, as needed.

*Audit Committee functions:*

- Provide a mechanism for required direct communication, apart from management, between the independent financial auditors and the Operations Board.
- Assist the Operations Board in ensuring that VRE management is fulfilling its internal control and financial reporting responsibilities.
- Other functions as requested by the Operations Board.
To: Chairman Smedberg and the VRE Operations Board

From: Doug Allen

Date: October 18, 2013

Re: Authorization to Award a Contract for Security Services for VRE Commuter Passenger Rail Operations

________________________________________________________________________

Recommendation:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to execute a contract with New Horizons Security Services, Inc. of Manassas, VA, for Security Services in the amount not to exceed $1,546,226, plus a 5% contingency of $77,311, for a total amount not to exceed $1,623,537.

Background:

VRE remains committed to protecting passengers, employees and equipment from security risks at VRE maintenance and storage facilities. The scope of services for this contract includes providing regular armed security services at the VRE maintenance and storage facilities at Crossroads (Spotsylvania County) and Broad Run (Bristow, VA). In addition, on-call unarmed services will be provided onboard VRE passenger trains, VRE stations and VRE parking lots as required. The current security services contract expires in November of 2013.

On August 17, 2012, the VRE Operations Board approved a request to issue a Request for Proposals (RFP)) for security services. A mailing list of seven (7) prospective Offerors as well as sixteen (16) disadvantaged business enterprises (DBE) was established for the solicitation to ensure access to adequate sources of services. On August 23, 2013, an RFP was issued and proposals were due on September 25, 2013. Four (4) responses were received from the following:
### OFFERORS

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<table>
<thead>
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<tbody>
<tr>
<td>1</td>
<td>New Horizon Security Services, Inc. of Manassas, VA</td>
</tr>
<tr>
<td>2</td>
<td>Eagle Protection Services, Inc. of Manassas, VA</td>
</tr>
<tr>
<td>3</td>
<td>Security Solutions Group &amp; Investigative Services of Stafford, VA</td>
</tr>
<tr>
<td>4</td>
<td>American Eagle Security, Inc. of Montgomery Village, MD</td>
</tr>
</tbody>
</table>

The Technical Evaluation Team met to review the proposals. It was determined the proposal from New Horizons Security Services, Inc. was technically compliant and unanimously selected to be the best value for the project.

The contract will be for a base year with four (4) 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 2018 operating budgets for security services.
Virginia Railway Express
Operations Board

Resolution
8C-10-2013

Authorization to Award a Contract for Security Services
for VRE Commuter Passenger Rail Operations

WHEREAS, VRE remains committed to protecting passengers, employees and equipment from security risks at VRE facilities; and,

WHEREAS, in August of 2012, the VRE Operations Board authorized the issuance of an RFP for security services; and,

WHEREAS, a competitive selection process was conducted; and,

WHEREAS, the current contract for security services expires in November of 2013; and,

WHEREAS, New Horizons Security Services, Inc. of Manassas, VA, having submitted a responsive and responsible proposal, is now 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 New Horizons Security Services, Inc. of Manassas, VA, for Security Services in the amount not to exceed $1,546,226, plus a 5% contingency of $77,311, for a total amount not to exceed $1,623,537.

Approved this 18th day of October 2013

______________________________
Paul Smedberg
Chairman

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John Cook
Secretary
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.
Virginia Railway Express
Operations Board

Resolution
8D-09-2013

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
To: Chairman Smedberg and the VRE Operations Board

From: Doug Allen

Date: October 18, 2013

Re: Authorization to Award a Contract for Air Brake Overhaul Services

Recommendation:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to execute a contract with Wabtec Global Services of Columbia, South Carolina, for Air Brake Overhaul Services in the amount not to exceed $716,577, plus a 10% contingency of $71,657, for a total amount not to exceed $788,234.

Background:

The scope of services for this contract includes the overhaul and certification testing of individual air brake components for the locomotive and rail car fleets. This work is needed based on federally required certification cycles or unexpected repairs due to component failures.

On November 16, 2012, the VRE Operations Board approved a request to issue a Request for Proposals (RFP) for air brake overhaul services. A mailing list of five (5) prospective Offerors was established for the solicitation to ensure access to adequate sources of services. On November 19, 2012, an RFP was issued and proposals were due on December 14, 2012. Two (2) responses were received.
The Technical Evaluation Team met to review the proposals. It was determined that the proposal from Wabtec Global Services was the only technically compliant proposal, but further negotiation with Wabtec was required concerning their exceptions to VRE’s terms and conditions. Wabtec Global Services eventually withdrew the majority of their exceptions and VRE staff now concludes Wabtec Global Services has provided a proposal that is the best value for VRE.

The contract will be for a base year with two (2) 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 car material.
Virginia Railway Express  
Operations Board  

Resolution  
8E-10-2013  

Authorization to Award a Contract For Air Brake Overhaul Services  

WHEREAS, VRE has a need for overhaul and certification of air brake components for the locomotive and rail car fleets; and,  

WHEREAS, in November of 2012, the VRE Operations Board authorized the issuance of an RFP for air brake overhaul services; and,  

WHEREAS, a competitive selection process was conducted; and,  

WHEREAS, Wabtec Global Services, having submitted a responsive and responsible proposal, is now 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 Wabtec Global Services of Columbia, South Carolina, for Air Brake Overhaul Services in the amount not to exceed $716,577, plus a 10% contingency of $71,657, for a total amount not to exceed $788,234. The contract will be for a base year with two (2) 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
To: Chairman Smedberg and the VRE Operations Board

From: Doug Allen

Date: October 18, 2013

Re: Authorization to Approve a Contract Amendment for Track and Tie Rehabilitation at the VRE Broad Run and Crossroads Yards

Recommendation:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to amend the contract with G.W. Peoples Contracting Company, Inc. of Carnegie, Pennsylvania, for additional track and tie repairs at the Crossroads Yard and increase the $434,553 contract amount by $15,093, for a total contract value not to exceed $449,646.

Background:

In May 2013, following a competitive procurement process, the Operations Board authorized VRE to enter into a contract with G.W. Peoples Contracting Company, Inc. for track and tie rehabilitation at the VRE Broad Run and Crossroads Yards in the amount of $395,048, plus a 10% contingency, for a total amount not to exceed $434,553.

In mid-September, during the final week of rehabilitation work at the Crossroads Yard, it was observed that the track between the existing S&I Building and Train Wash Building, which is covered with asphalt, was sinking significantly under locomotive loading conditions. After further investigation, which involved the removal of several tons of asphalt to access the track ties, it was discovered that the track ties in this area had become spongy due to water being trapped under the asphalt.
The asphalt removed was 1½ to 2 feet thick at the location (2 to 3 times thicker than anticipated when the repair was initiated). Repairs to this area were completed, including the replacement of deteriorated track ties and asphalt. This final contract amendment will also include the replacement of thirty-five (35) additional switch timbers at the Crossroads Yard, which were discovered to be deteriorated during the process of replacement of adjacent ties. Due to the extent of the necessary remediation, the cost exceeded the 10% contingency.

**Fiscal Impact:**

Funding is provided for in the FY 2013 Federal Grant for Facilities Infrastructure Renewal.
Authorization to Approve a Contract Amendment for Track and Tie Rehabilitation at the VRE Broad Run and Crossroads Yards

WHEREAS, in May 2013, the Operations Board authorized VRE to enter into a contract with G.W. Peoples Contracting Company, Inc. of Carnegie, Pennsylvania for track and tie rehabilitation; and,

WHEREAS, additional work was discovered after the original scope of work was identified; and,

WHEREAS, additional authorization is needed in the amount of $15,093, for a total not to exceed $449,646, in order to address additional track and tie repairs at the Crossroads Yard.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board is being asked to authorize the Chief Executive Officer to amend the contract with G.W. Peoples Contracting Company, Inc. of Carnegie, Pennsylvania, for additional track and tie replacement at the Crossroads Yard and increase the $434,553 contract amount by $15,093, for a total contract value not to exceed $449,646.

Approved this 18th day of October 2013

_____________________
Paul Smedberg
Chairman

_____________________
John Cook
Treasurer
PROFFER STATEMENT

RE: PRA #PLN2009-00022, Rippon Center
Record Owner: KP Big Crest Lane, LLC
Property: GPINs 8390-89-8533 and 8390-89-3734
Woodbridge Magisterial District
11.04 Acres PMR, Planned Mixed Residential
Date: February 10, 2011

The undersigned hereby proffers that the use and development of the subject Property shall be in strict conformance with the following conditions and shall supersede all other proffers made prior hereto on the subject Property. In the event the above referenced rezoning is not granted as applied for by Applicant, these proffers shall be withdrawn and are null and void, and the proffers associated with REZ #2006-00098 shall remain in full force and effect. The headings of the proffers set forth below have been prepared for convenience of reference only and shall not control or affect the meaning or be taken as an interpretation of any provision of the proffers. Any improvements proffered herein below shall be provided at the time of development of the portion of the site served by the improvement, unless otherwise specified. The terms "Applicant" and "Developer" shall include all future owners and successors in interest.

References in this Proffer Statement to plans and exhibits shall include the following:

1. Master PMR Zoning Plan – Rippon Center, prepared by Urban Ltd. and dated June 2008, last revised February 3, 2011, consisting of the following sheets:
   a. Land Use Plan ("Land Use Plan")
   b. Transportation & Utility Plan ("Transportation Plan")
   c. Open Space & Landscape Plan ("Open Space Plan")

   All development on the Property shall be in substantial conformance with the above referenced plans. Minor modifications, including the exact location of travelways, roads, building locations and community amenities configuration, shall be determined at the time of final site/subdivision plan.

2. "Conceptual Elevations – Rippon Center, prepared by The Preston Partnership LLC and dated March 16, 2010 ("Building Elevations")

3. "Rippon VRE Station Parking Scheme", prepared by Walker Parking Consultants and dated August 24, 2009 ("VRE Parking Scheme Plan")

APPROVED
PROFFER/DEVELOPMENT PLAN

[Signature]
3-15-2011
Signed

[Date]
OFFICE OF PLANNING
TRANSPORTATION

1. Rippon Boulevard

a. Provided that all necessary Virginia Department of Transportation ("VDOT") and Prince William County ("County") approvals are obtained, the Applicant shall provide, within existing right of way, three lanes along the frontage of the Property. Said improvements shall include one westbound lane and two eastbound lanes along the frontage of the Property. Said improvements shall be provided in the form of construction of pavement and/or striping of existing pavement, shall be shown on the first final site plan for the Property, and shall be constructed as a part of said site plan.

b. If requested by the Virginia Department of Transportation (VDOT) or Prince William County and provided all necessary approvals are obtained, the Applicant shall install stop signs at the intersection of Rippon Boulevard and Farm Creek Drive as required. Said stop signs shall be shown on the first final site plan submitted for the Property and shall be installed in conjunction with the improvements shown on said site plan.

c. If requested by the County and VDOT at any single time during the development of the Property, the Applicant shall conduct a traffic signal warrant study for the intersection of Rippon Boulevard and Farm Creek Drive and shall submit said study to the County and VDOT for review and approval. In the event the warrant study concludes that a traffic signal is warranted at said intersection, and if so requested by the County and VDOT and not otherwise provided in connection with the construction of other developments in the area, the Applicant shall be responsible for the provision and installation of said signal, at no cost to the County or VDOT. In the event said signal is not warranted based on the warrant study, the Applicant shall have no further obligation with reference to said signalization.

d. At the request of and subject to approval by VDOT and/or Prince William County, the Applicant shall stripe the existing pavement within the existing right of way from the entrance to Land Bay 2 on Rippon Boulevard to the western boundary of the property identified with Prince William County Geographic Parcel Identification Number 8390-77-8069 in such a fashion resulting in four (4) lanes.

e. The Applicant shall make a monetary contribution to the Prince William Board of County Supervisors in the amount of $500,000 to be used for the design and construction of improvements to Rippon Boulevard. Said contribution shall be made in two payments as follows:

APPROVED
PROFFER/DEVELOPMENT PLAN
[Signature]
3-15-2011
Signed

OFFICE OF PLANNING
(1) The first payment in the amount of $300,000 shall be made on the 60th day following Final Rezoning of the Property by the Board of County Supervisors as requested by the Applicant. "Final Rezoning", as the term is used herein, shall be defined as that zoning which is in effect on the day following the last day upon which the Prince William Board of County Supervisors' decision granting the rezoning may be contested in the appropriate court or, if contested, the day following entry of a final court order affirming the decision of the Board of Supervisors which has not been appealed, or if appealed, the day following which the decision has been affirmed on appeal. 1

(2) The second payment in the amount of $200,000 shall be made within thirty (30) days of receipt of a written request from the County provided there are approved plans for Rippon Boulevard improvements and the balance of the funding is available to commence construction of the said improvements. 2

2. If required and approved by the County at the time of final site plan, the Applicant shall provide a left turn lane at the entrance to Land Bay 1 on Farm Creek Drive. Said turn lane, if required, shall be shown on the final site/subdivision plan for Land Bay 1 and may be provided in the form of striping of existing pavement.

3. Subject to proffers #3.a and #3.b below, Applicant shall make a per unit monetary contribution to the Prince William Board of County Supervisors in the amount of $5,258.00 per multi-family unit constructed on the Property to be used for transportation improvements. The proffered monetary contributions shall be applied to capital projects in the area of the subject rezoning that are identified in the Capital Improvement Program, 6-year road plan or other capital improvements projects adopted by the Board. The Board may also budget and appropriate these contributions or portion thereof to other specific capital projects. Said contribution shall be paid prior to issuance of building permits and shall be based on the total number of residential units for which the building permit is being issued. This obligation is additionally subject to modification as set forth in proffer #4.a below and as further specified as follows:

a. Applicant shall not be obligated to make the per unit monetary contribution for Land Bay 2 units to obtain building permits if Applicant develops Land Bay 2 prior to the Prince William Board of County Supervisors ("Board") electing to execute the Agreement referenced in proffer #4.a below. If the Board elects not to execute the Agreement after Applicant has commenced construction of Land Bay 2, payment of the Land Bay 2 per unit contribution shall be made as set forth in proffer #3.b below.

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1 This payment was made on 10/02/06 (Prince William County Receipt #2007009858).
2 This payment was made on 9/2/10 (Prince William County Receipt #2011006206).
b. If, after development of Land Bay 2, Applicant is ready to proceed with
development of Land Bay 1 (which triggers the obligation to construct the VRE
garage), and the County and/or VRE have determined that they do not want the
VRE garage constructed, the Applicant shall have no further obligation to
construct the VRE garage. In such event, upon receipt of written notice from the
County and VRE, within sixty (60) days of said notice, Applicant shall make the
per unit monetary contribution based on the total number of units then constructed
in Land Bay 2.

Further, in such event, Applicant shall make the per unit monetary contribution
for the units in Land Bay 1. Payment shall be made prior to the issuance of
residential building permits for Land Bay 1. Said contribution shall be based on
the total number of units for which the building permit is being issued.

4. Virginia Railway Express ("VRE") Parking Spaces

a. In lieu of the transportation contribution recommended by the Policy Guide for
Monetary Contributions as set forth in proffer #3 above and provided all
necessary approvals are obtained, including the execution of the Agreement with
the County dated March 15, 2011 and incorporated herein by reference and all
approvals as set forth therein, the Applicant shall construct a parking garage on
the County owned property on which the current parking lot for the Rippon VRE
Station is located. The layout of the parking garage, surface parking and on-site
circulation shall be as generally shown on the VRE Parking Scheme Plan, or as
otherwise may be agreed to by the Applicant and VRE. Said parking garage and
associated on-site circulation and surface parking shall be constructed prior to or
concurrent with the construction of the first building in Land Bay 1.

b. The parking garage shall include the design and functional elements set forth
below:

(1) The parking garage shall accommodate a minimum of 600 parking spaces,
to include parking for motorcycles as requested by VRE at the time of site
plan, plus the on-site circulation and a minimum of 175 surface parking
spaces as generally shown on the VRE Station Parking Scheme, or as
otherwise agreed to by the Applicant and VRE, and as approved by the
County.

(2) The parking garage shall be constructed with precast spandrel panels with
integral color (buff) and a light sandblast finish on the exterior face. Any
stair towers shall have roofs that generally match the existing VRE station
roof in material, form and color. The entrances to the garage shall have
decorative iron work at the spandrel panel above the entrance, painted to
match the stair tower roofs.

APPROVED
PROOFER/DEVELOPMENT PLAN

Signed

3-15-2011

Date

OFFICE OF PLANNING
(3) The parking garage shall include two (2) elevators in the southeast corner of the garage.

(4) Bicycle rack(s) to accommodate a minimum of nine (9) bicycles shall be provided in the parking garage. Said bicycle rack(s) shall be fastened to the concrete inside the first level of the parking garage at the corners, with the exact location to be determined at the time of site plan. This obligation may be satisfied by relocating any existing bicycle racks located at the VRE station at the time the garage is constructed. In the event new racks are installed, such racks shall be of a wave or ribbon-type loop rack or similar style, or a style mutually agreed to by the Applicant and VRE.

c. Until such time that the parking garage is constructed and available for use, the Applicant shall allow VRE to continue to use the surface parking spaces in Land Bay 1 on a lease basis having the same terms and conditions as the existing lease except that the Applicant shall have the right to an annual increase in rent of two percent (2%) per year.

d. Upon construction of the parking garage and the spaces being available for commuter use, the temporary surface parking lot in Land Bay 1 may be removed and the Applicant shall have the right to develop Land Bay 1 in accordance with the approved zoning.

e. With reference to the obligations to VRE as set forth above in this proffer #4, modifications may be made to specific provisions, details and commitments as mutually agreed to by the Applicant and VRE.

f. In conjunction with the provision of the parking garage, the Applicant shall work with representatives of VRE to develop an interim parking and construction staging plan that allows for some of the existing surface parking spaces in the VRE parking lot on the County owned property (GPINs 8390-88-6844 & 8390-88-9871) to continue to be used by VRE customers during construction of the garage to the extent feasible from a safety, engineering and practical standpoint. The feasibility of an interim parking plan shall be addressed at the time the final site plan for the garage is submitted to the County.

5. At the time the site plan is filed for the VRE station parking garage, the Applicant shall contact representatives of the Potomac and Rappahannock Transportation Commission ("PRTC"), or other bus company providing public bus service in the County, to determine whether there are plans to provide bus service to the Rippon VRE Station. In the event there are plans to provide such service and subject to approval of the County, the Applicant shall provide a bus shelter on the site of the VRE station parking garage in a location proximate to the kiss and ride area.

APPROVED

PROFFER/DEVELOPMENT PLAN

David J. McGettigan

Signed

3-15-2011

Date

OFFICE OF PLANNING
USES AND SITE DEVELOPMENT

6. The maximum number of residential units constructed on the Property shall not exceed 550 units.

7. The maximum height of all buildings, including parking structures, constructed on the Property shall be seventy feet (70'), exclusive of parapet walls and rooftop equipment. The residential buildings shall be a maximum of five (5) stories.

8. The Applicant shall construct a minimum of 47,000 square feet of nonresidential gross floor area (gfa) on the Property. Said nonresidential gfa shall be constructed in Building A, Land Bay 1, and shall be a maximum of 17,000 square feet of retail space and a minimum of 30,000 square feet of employment/office space. For purposes of this proffer, employment uses shall include the following: data and computer services; medical and dental offices or clinics; offices; brokerages; professional services such as lawyers, engineers, accountants; financial institutions, research and development (non-hazmat); hotel; business, professional and trade schools, colleges and university; trade or convention center, business equipment sales and servicing; packaging center; artist and photographer studios; art galleries; civic clubs; governmental agencies; and other uses determined by the Planning Director and the Director of Economic Development to be bona fide employment uses and/or whose primary customers are businesses, consistent with the goals of the Economic Development Plan. First floor or ground floor retail uses shall be allowed as permitted and regulated in the B-1, General Business District. At the time the site plan is filed for Land Bay 1, Building A and Building B shall be shown on said site plan for approval. Construction of Building A shall commence prior to or concurrent with construction of Building B. Once construction has commenced on Building A, the Applicant shall diligently pursue completion of the building.

9. Handicapped parking spaces shall be provided in connection with development of the Property in accordance with the Prince William County Design and Construction Standards Manual.

10. At the time the existing VRE parking lot located on the Property is removed, the removed materials shall be disposed of properly in accordance with applicable county, state and federal regulations.

11. Vehicular and pedestrian access shall be maintained at all times during development of the Property to ensure continuous public access to the VRE commuter rail station and parking lot on the County owned property located adjacent to the Property.

12. The Applicant shall post the Property during development to require all construction traffic to access the Property from Farm Creek Drive via Featherstone Drive so as to discourage construction traffic on Rippon Boulevard.

APPROVED

PROFFER/DEVELOPMENT PLAN

David J. Mccutchen

Signed

3-15-201

Date

OFFICE OF PLANNING

6
13. The easternmost entrance to Land Bay 1 through the County owned property (GPINs 8390-88-6844 & 8390-88-9871) as shown on the Land Use Plan shall be for emergency access purposes only and said entrance shall be signed for emergency access.

COMMUNITY DESIGN

14. All development on the Property shall be in substantial conformance with the layout set forth on the Land Use Plan. Minor modifications, including the exact location of travelways, roads, building locations and community amenities configuration, shall be determined at the time of final site/subdivision plan. More substantial variation from the Land Use Plan may be approved by the Planning Director, or his designee, provided the integrity of the overall site layout is not compromised.

15. The architectural style, design and materials of the buildings constructed on the Property shall be in substantial accordance with the Building Elevations, except as may be modified pursuant to proffer #14 above. Minor modifications shall be permitted to building features such as, but not limited to, the number, location and dimensions of windows and balcony tiers in order to accommodate the mix of units in each building, building and garage locations, canopies, and the like. Compliance with this proffer shall be evidenced with the submission to the Planning Office of building elevations at least two weeks prior to the issuance of the building permit.

16. The Applicant shall provide pedestrian connections between the residential and nonresidential uses on the Property and a connection to the VRE station via the Potomac National Heritage Scenic Trail (PNHST), and such connections shall be shown on the respective final site plans.

17. Landscaping shown on the final site plans shall include drought resistant species, and indigenous species or species appropriate to the location and climate of the area and landscaping shall be shown on each final site plan.

18. The Applicant shall remove any graffiti from the Property. Graffiti shall be deemed any inscription or marking on walls, buildings or structures not permitted by the sign regulations in Section 32-250.20 et seq of the Zoning Ordinance. Any graffiti is to be reported to the Prince William County Police Department before removal.

19. Trash dumpsters on the Property shall be screened utilizing materials compatible with those utilized on the buildings served by the dumpsters.

20. The layout and design of all street furniture (by way of example and not limitation, street furniture may include seating, lighting, trash receptacles and the like) located along the public walkways along the frontages of the Property shall be shown on the final site/subdivision plan for each section of walkway and shall be approved by the Planning Director, or his designee, such approval not to be unreasonable withheld.

APPROVED
PROFFER/DEVELOPMENT PLAN

David J. McHattie
Signed
3-15-2011

OFFICE OF PLANNING
21. As a condition of the issuance of a building permit release letter, the Applicant shall incorporate acoustical measures into the design, materials and construction techniques used for the units which are projected to be impacted by railroad noise, hereby defined as those units having levels projected to be greater than 70 dBA within the units without acoustical measures, in order to help reduce interior noise to a one hour average level not to exceed 45 dBA.

**PARKS AND RECREATION**

22. The Applicant shall make a monetary contribution to the Prince William Board of County Supervisors in the amount of $2,679.00 per residential unit constructed on the Property to be used for parks and recreation facilities. Said contribution shall be made prior to and as a condition of the issuance of the building permit for each building or portion of a building constructed on the Property and the amount paid shall be based on the number of units in each building or portion of a building.

23. Applicant shall provide recreational amenities for the residential units located on the Property, said amenities to include, at a minimum, a swimming pool, business center and fitness center. Said amenities shall be shown no later than on the final site plan for Building B, Land Bay 1, or as otherwise applicable.

24. The Applicant shall construct the Potomac Heritage National Scenic Trail through the Property and, subject to approval of the owner of the adjacent parcels (GPINs 8390-88-6844 and 8390-88-9871) in accordance with the Agreement with the County dated March 15, 2011 and incorporated herein by reference, off-site to the VRE station in the location and of a width as generally shown on the Transportation Plan. Subject to the approval of VDOT and the County, construction of said trail shall include the provision of a painted crossing of Farm Creek Drive and the installation of Pedestrian Crossing signs on Farm Creek Drive. Said trail shall be constructed of concrete and/or asphalt. The Potomac Heritage Trail shall be shown on the final site plan for each building in Land Bay 1 and shall be constructed at the time the building located adjacent to each segment of the trail is constructed. The off-site portion of the trail shall be constructed at the time of construction of Building B. The Applicant shall grant a public access easement on the Property to the County to allow for access and use of said trail by the general public. Maintenance of the said trail (both the on-site and that portion of the off-site trail located immediately adjacent to and running parallel to Building B, subject to County and/or VDOT approval) shall be the responsibility of the Applicant.

25. Subject to the approval of VRE and the County, the Applicant shall be responsible for the cost and installation of up to ten (10) signs reserving up to a maximum of ten (10) VRE parking spaces provided pursuant to proffer #4 above specifically for visitors to the Potomac Heritage National Scenic Trail and the Featherstone National Wildlife Refuge, the location of said spaces to be determined by VRE and the County.
26. The Applicant shall construct an extended platform with stairs and ramp from the VRE station platform east of the tracks to the ground located immediately adjacent to the platform, as generally shown on Attachment C, in order to help facilitate pedestrian access to the Featherstone National Wildlife Refuge. Access stairs off the back of the Rippon VRE platform shall be built using concrete and steel and applicable building codes shall apply. Plans for the stairs/ramp shall be approved by VRE prior to construction. The Applicant's obligation to file a site plan reflecting this improvement and to construct said improvement is contingent upon the County or others obtaining all required approvals and/or permits for such improvement and access.

ENVIRONMENTAL

27. Applicant shall make a monetary contribution to the Prince William Board of County Supervisors in the amount of $75.00 per acre for water quality monitoring, stream restoration projects and/or drainage improvements. Said contribution shall be paid prior to and as a condition of the issuance of the first land development permit for each plan and shall be based on the acreage reflected on each such approved plan.

LIBRARIES

28. The Applicant shall make a monetary contribution to the Prince William Board of County Supervisors in the amount of $381.00 per residential unit constructed on the Property to be used for library purposes. Said contribution shall be paid prior to and as a condition of the issuance of a building permit for each building or portion of a building constructed on the Property and the amount paid shall be based on the number of units in each said building or portion of a building.

FIRE & RESCUE

29. The Applicant shall make a monetary contribution to the Prince William Board of County Supervisors in the amount of $510.00 per residential unit constructed on the Property and a contribution of $0.56 per square foot of nonresidential gross floor area ("gfa"), excluding parking garages, to be used for fire and rescue purposes. Said contribution shall be paid prior to and as a condition of the issuance of a building permit for each building or portion of a building constructed on the Property and the amount paid shall be based on the number of units in each residential building or portion of a building and the gfa in each nonresidential building or portion of a nonresidential building.

30. Each residential building constructed on the Property shall include at least one elevator large enough to accommodate a standard hospital gurney lying flat plus emergency personnel. Such elevator shall be shown on each building plan prior to the issuance of the building permit. The obligation created hereby shall be reflected with a note on all final site/subdivision plans for any buildings on the Property.

APPROVED
PROFFER/DEVELOPMENT PLAN

[Signature]
Signed

3-15-2011

Date

OFFICE OF PLANNING
POLICE

31. The Applicant shall provide the Police Department with "field office" facilities to be located in the first level of retail space in Building A. The "field office" facilities shall consist of a maximum of 1,500 square feet of gross floor area and shall include finished space for two (2) offices, two (2) bathrooms, a storage room and a conference room. The "field office" space shall be provided at no cost to the Police Department. All operational expenses (i.e., real estate taxes, utilities, common area fees, etc.) shall be the responsibility of the Applicant or an owners association established for the development. The Police Department shall be responsible for any expenses incurred in connection with interior improvements and/or alterations after initial occupancy by the Police Department.

32. The Applicant shall provide a minimum of four (4) and a maximum of six (6) parking spaces as determined by the Police Department either adjacent to Building A or in the adjacent parking structure. Said spaces shall be for the exclusive use of the Police Department. The "field office" space and associated parking spaces shall be shown on the final site plan for Building A and shall be available no later than at the time construction of the said building is completed and an occupancy permit is issued for fifty percent (50%) of the cumulative net floor area constructed in Building A.

SCHOOLS

33. The Applicant shall make a monetary contribution to the Prince William Board of County Supervisors in the amount of $2,342.00 per residential unit constructed on the Property to be used for school facilities. Said contribution shall be made on a per unit basis prior to and as a condition of the issuance of a building permit for each building or portion of a building constructed on the Property and the amount paid shall be based on the number of units in each said building or portion of a building.

AFFORDABLE HOUSING

34. The Applicant shall make a monetary contribution to the Prince William Board of County Supervisors in the amount of $250.00 per residential unit constructed on the Property to be used for the Housing Preservation and Development Fund. Said contribution shall be paid prior to and as a condition of the issuance of a building permit for each building or portion of a building constructed on the Property and the amount paid shall be based on the number of units in each said building or portion of a building.

APPROVED
PROFFER/DEVELOPMENT PLAN

David J. McElhenny Signed
3-15-2011 Date
OFFICE OF PLANNING

10
WATER AND SEWER

35. The Property shall be served by public sanitary sewer and water and the Applicant shall be responsible for the costs and construction of those on and off-site improvements required in order to provide such service for the demand generated by the development on the Property.

36. Acceptance and approval of this rezoning application by the Board of County Supervisors authorizes extension and construction of water and sewer lines and facilities necessary to serve this property pursuant to the Virginia Code Section 15.2-2232 and the Prince William County Code Section 32-201.13.1. The general locations of these facilities are as shown on the Transportation & Utilities Plan with the exact locations to be determined based on final engineering and as approved by Prince William County.

MISCELLANEOUS

37. In the event the monetary contributions set forth in the Proffer Statement are paid to the Prince William Board of County Supervisors ("Board") within eighteen (18) months of the approval of this rezoning, as applied for by the Applicant, said contributions shall be in the amounts as stated herein. Any monetary contributions set forth in this Proffer Statement which are paid to the Prince William Board of County Supervisors ("Board") after eighteen (18) months following the approval of the previous rezoning (REZ #PLN2006-00098) on July 11, 2006 shall be adjusted in accordance with the Urban Consumer Price Index ("CPI-U") published by the United States Department of Labor. At the time any such contributions are paid, they shall be adjusted by the percentage change in the CPI-U from the date eighteen (18) months after the approval of said rezoning (said adjusted date being January 11, 2008) to the most recently available CPI-U to the date the contributions are paid, subject to a cap of 6 percent (6%) per year, noncompounded.

WAIVERS/MODIFICATIONS

38. Modification of Section 250.31 of the Zoning Ordinance and Sections 802.11 and 802.12 of the DCSM to waive all internal buffers between uses on the Property, to waive the buffer around any community recreation amenity, and to modify the buffer between the Property and the adjacent properties to the north (identified with GPINs 8391-80-9705), the west (identified with GPIN 8390-88-1569), the east (identified with GPINS 8390-89-5889 and 8390-98-9871) and the south (identified with GPINs 8390-88-6844 and 8390-98-9871) as shown on the Open Space Plan.

39. Pursuant to Sections 700.25 and 306.12(3) of the Zoning Ordinance, modified development standards for the mid-rise residential buildings (Housing Type H) are approved. The modified development standards are set forth on Attachment A.

APPROVED

PROFFER/DEVELOPMENT PLAN

[Signature]

Signed

3-15-2011

Date

OFFICE OF PLANNING
40. Pursuant to Sections 700.25 and Sections 401 and 402 of the Zoning ordinance, modified
development standards for the office and commercial retail building, as applicable, are
approved. The modified development standards are set forth on Attachment B.

41. Waiver of Section 306.10 of the Zoning Ordinance to allow one housing type on the
Property.

42. Waiver of Section 602.07.E &.K of the DCSM to allow a waiver of right and left turn
lanes at site entrances and to reduce the minimum separation between entrances on Farm
Creek Drive.

(P0096043.DOC / 12 Proffers.v12 001966 000105)
2/10/11

APPROVED
PROFFER/DEVELOPMENT PLAN

Signed
3-15-201

DATE
OFFICE OF PLANNING
KP Big Crest Lane, LLC, a Delaware Limited Liability Company

By: KETTLER Riverside Parke, LLC, a Virginia limited liability company, its Managing Member

By: Robert C. Kettler, Manager

By: Richard W. Hausler, Manager

APPROVED

PROFFER/DEVELOPMENT PLAN

Signed

Date

3-15-2011

OFFICE OF PLANNING
**ATTACHMENT A**
**MID-RISE RESIDENTIAL BUILDINGS**
**LAND BAYS 1 & 2**

<table>
<thead>
<tr>
<th>EXISTING/PROPOSED ZONING DISTRICT:</th>
<th>PMR URBAN HIGH [LAND BAYS 1 AND 2]</th>
</tr>
</thead>
<tbody>
<tr>
<td>MIN. LOT AREA / UNIT (&gt;46 UNITS):</td>
<td>900 SF</td>
</tr>
<tr>
<td>PROPOSED LOT AREA / UNIT (&gt;46 UNITS):</td>
<td>700 SF*</td>
</tr>
<tr>
<td>*ASSUMES A MAXIMUM OF 320 UNITS IN LAND BAY 2</td>
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</tr>
<tr>
<td>MAX. LOT COVERAGE:</td>
<td>75%</td>
</tr>
<tr>
<td>PROPOSED LOT COVERAGE:</td>
<td>+</td>
</tr>
<tr>
<td>MAX. BLDG. HEIGHT ALLOWED:</td>
<td>100'</td>
</tr>
<tr>
<td>MAX. BLDG. HEIGHT PROPOSED:</td>
<td>100'</td>
</tr>
<tr>
<td>MIN. SETBACK FROM STREET TO DWELLING:</td>
<td>35'</td>
</tr>
<tr>
<td>PROPOSED SETBACK FROM PUBLIC STREET R/W:</td>
<td>12'++</td>
</tr>
<tr>
<td>PROPOSED SETBACK FROM F.O.C. OF PRIVATE ACCESSWAYS</td>
<td>6'++</td>
</tr>
<tr>
<td>MIN. PARKING SETBACK TO DWELLING:</td>
<td></td>
</tr>
<tr>
<td>STRUCTURED LOT</td>
<td>0'</td>
</tr>
<tr>
<td>SURFACE LOT</td>
<td>12'</td>
</tr>
<tr>
<td>PROP. PARKING SETBACK TO DWELLING:</td>
<td></td>
</tr>
<tr>
<td>STRUCTURED LOT</td>
<td>0'</td>
</tr>
<tr>
<td>SURFACE LOT</td>
<td>12'++</td>
</tr>
<tr>
<td>MIN. SIDE SETBACK:</td>
<td>25'</td>
</tr>
<tr>
<td>PROP. SIDE SETBACK:</td>
<td>12'++</td>
</tr>
<tr>
<td>MIN. REAR SETBACK:</td>
<td>50'</td>
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<tr>
<td>PROP. REAR SETBACK:</td>
<td>45'++</td>
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<td>MIN. LOT WIDTH PER STRUCTURE:</td>
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<tr>
<td>PROVIDED LOT WIDTH</td>
<td>150'</td>
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<tr>
<td>&gt;600'</td>
<td></td>
</tr>
<tr>
<td>MIN. DISTANCE BETWEEN BUILDINGS:</td>
<td>MAX. HEIGHT</td>
</tr>
<tr>
<td>PROP. DISTANCE BETWEEN BUILDINGS:</td>
<td>50'++</td>
</tr>
</tbody>
</table>

+AS SHOWN ON PMR MASTER ZONING PLAN
++MODIFICATION REQUESTED OF ZONING STANDARD. A MINIMUM OF 50' SHALL BE MAINTAINED BETWEEN THE COMMERCIAL AND RESIDENTIAL BUILDINGS LOCATED WITH LAND BAY 1

**APPROVED**
**PROFFER/DEVELOPMENT PLAN**

![Signature](image)

Signed

3-15-2011

OFFICE OF PLANNING
ATTACHMENT B
MID-RISE OFFICE/COMMERCIAL BUILDING
LAND BAY 1

EXISTING/PROPOSED ZONING DISTRICT: O(M) [LAND BAY 1]

MIN. LOT SIZE:
MIN. LOT WIDTH OR DEPTH:

MAX. LOT COVERAGE:
PROPOSED LOT COVERAGE: 80%

MAX. FLOOR AREA RATIO (FAR)
PROPOSED FLOOR AREA RATIO (FAR):

MAX. BLDG. HEIGHT ALLOWED:
MAX. BLDG. HEIGHT PROPOSED:

MIN. SETBACK FROM STREET R/W:
PROPOSED SETBACK FROM STREET R/W:

SIDE/REAR ABUTING AGR./RES. DISTRICTS:
PROPOSED SIDE/REAR TO THESE DISTRICTS:

+AS SHOWN ON PMR MASTER ZONING PLAN. THE COMMERCIAL BUILDING IN LAND BAY 1 SHALL BE DEVELOPED PER THE O(M) STANDARDS
++MODIFICATION REQUESTED OF ZONING STANDARD. A MINIMUM OF 50' SHALL BE MAINTAINED BETWEEN THE COMMERCIAL AND RESIDENTIAL BUILDINGS LOCATED WITH LAND BAY 1

APPROVED
PROFFER/DEVELOPMENT PLAN

David J. McFetridge
Signed

3-15-2011
Date
OFFICE OF PLANNING
PLAN VIEW

STAIR VIEW

RAMP END VIEW

RAMP SECTION

SHALL BE PROVIDED PER ADA STANDARDS.

HEIGHT OF EXISTING PLATFORM TO EXISTING GRADE HANDRAILS.

NOTES: DIMENSIONS SHOWN ARE APPROXIMATE BASED ON ASBVED.

PROPER DEVELOPMENT PLAN

APPROVED

Date
Signed

OFFICE OF PLANNING

3-15-201

AGENDA ITEM
RIPON CENTER
(Formerly Willian County, Virginia)
Woodbridge Magisterial District

Planned Mix Residential District

APPROVED

Date: 3-15-2011

Office of Planning

Signature: [Signature]
To: Chairman Smedberg and the VRE Operations Board

From: Doug Allen

Date: October 18, 2013

Re: Authorization to Extend a Lease Agreement for Parking at the VRE Rippon Station

---

**Recommendation:**

The VRE Operations Board is being asked to authorize the Chief Executive Officer to extend a lease agreement with KP Big Crest Lane, LLC for 320 parking spaces at the Rippon Station in the amount of $164,875 for one year, through February 2015.

**Background:**

In May 2002, the Operations Board approved a three year lease for 320 parking spaces at the Rippon VRE Station. The lot opened in March 2004. The lease has been extended several times with the current lease set to expire at the end of February 2014.

VRE staff is requesting permission to extend the lease for one year, at a cost not to exceed $164,875 during that period. The average cost of $42.94 per space, per month is comparable to the current market value VRE is paying elsewhere.
**Fiscal Impact:**

Funding will be provided through the FY 2014 - FY 2015 operating budgets.
Virginia Railway Express  
Operations Board  

Resolution  
8G-10-2013  

Authorization to Extend a Lease Agreement for  
Parking at the VRE Rippon Station  

WHEREAS, in May 2002, the Operations Board approved a three year lease with Hazel Land for 320 parking spaces at the Rippon Station; and,  

WHEREAS, the lease has been renewed several times since with the current extension set to expire at the end of February 2014; and,  

WHEREAS, VRE staff is requesting permission to extend the lease agreement for one additional year through February 28, 2015.  

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to extend the lease agreement with KP Big Crest Lane, LLC. The extension of the agreement would be in the amount of $164,875 for one year, through February 28, 2015.  

Approved this 18th day of October 2013  

__________________________  
Paul Smedberg  
Chairman  

__________________________  
John Cook  
Secretary
To: Chairman Smedberg and the VRE Operations Board

From: Doug Allen

Date: October 18, 2013

Re: Authorization to Award a Supplemental GEC VI Task Order for Field Work for the Alexandria King Street Station Pedestrian Tunnel Project.

Recommendation:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to award a Supplemental Task Order under the GEC VI contract to AECOM for Task Order #2 for field work for the Alexandria King Street Station Pedestrian Tunnel Project in an amount of $26,709, plus a 10% contingency of $2,671, for a total amount not to exceed $79,321.

Background:

In May of 2013, VRE executed Task Order #2 for $49,941 under the CEO’s authority with AECOM to manage mobilization activity and to secure appropriate Railroad Protective Liability Insurance to cover the project team during field investigations.

During the course of the project the Washington Metropolitan Area Transit Authority (WMATA) notified VRE of additional permitting and insurance requirements for work on WMATA property. Similarly, upon receipt of the CSX permit application initiated by VRE, additional coordination by AECOM is required to comply with CSX insurance requirements.
This supplemental task order covers additional services to assist VRE in obtaining the necessary permits and insurance to allow field work to continue as noted below:

WMATA Permit Services:
• Initial scoping field visit with VRE, WMATA and AECOM
• Preparation and revisions to WMATA permit application
• Coordination with WMATA for permit, insurance, badges and pre-activity meeting
• Coordination meetings/conference calls with VRE
• Coordination with sub-consultants to obtain WMATA insurance and badges
• Application for contractor badges
• Attend pre-activity meetings

CSX Permit Services:
• Coordination with insurance agent and sub-consultants for additional coverage
• Attend site visits

Fiscal Impact:

Funding for this project is included in VRE’s Capital Improvement Program as part of the Alexandria King Street Station Pedestrian Tunnel Project.
Virginia Railway Express
Operations Board

Resolution
8H-10-2013

Authorization to Award a Supplemental GEC VI
Task Order for Field Work for the Alexandria King Street
Station Pedestrian Tunnel Project

WHEREAS, In May of 2013 the CEO executed Task Order #2 to AECOM for $49,941 under the GEC VI contract for mobilization management and to secure insurance for the project team; and,

WHEREAS, VRE was subsequently notified by WMATA and CSX of additional permitting and insurance requirements; and,

WHEREAS, the additional requirements exceeded the original scope of work identified in the task order previously executed with AECOM; and,

WHEREAS, this supplemental task order will allow the current field work to continue.

NOW, THEREFORE, BE IT RESOLVED THAT, The VRE Operations Board is being asked to authorize the Chief Executive Officer to award a GEC VI Supplemental Task Order to AECOM for Task Order #2 for field work for the Alexandria King Street Station Pedestrian Tunnel Project in an amount of $26,709, plus a 10% contingency of $2,671, for a total task order #2 amount not to exceed $79,321.

Approved this 18th day of October 2013

__________________________________________
Paul Smedberg
Chairman

__________________________________________
John Cook
Secretary
To: Chairman Smedberg and the VRE Operations Board

From: Doug Allen

Date: October 18, 2013

Re: Support for *Momentum: The Next Generation of Metro* Strategic Plan

**Recommendation:**

The VRE Operations Board is being asked to formally support Metro’s Strategic Plan entitled: *Momentum: The Next Generation of Metro.*

**Background:**

In 2010, the Governors of Virginia and Maryland and Mayor of the District of Columbia called on Metro’s Board of Directors to review the authority’s governance. As part of its governance reforms, the Metro Board developed a new Vision, Mission and Strategic Goals which guided the preparations of the Strategic Plan. In March 2013, the Metro Board established the 2025 Committee to “secure regional agreement on advancing and funding the Momentum plan” and in June 2013 Metro’s Board formally adopted *Momentum: The Next Generation of Metro* Strategic Plan.

The plan is a result of more than a year of outreach and input from key stakeholders. Metro is now seeking endorsements from the business community, local jurisdictions and other partners in the region. As one of Metro’s regional partners, and with 25% of VRE riders completing their daily commute via Metrorail or Metrobus, VRE has an interest in the plan and investments recommended to address Metro’s future growth.
Momentum includes seven key investment priorities, called Metro 2025, that are essential for Metro to maintain the system in a continued state of good repair and meet regional travel needs over the next decade: operation of all eight-car trains during rush hour; core station improvements; new Blue Line connections at Rosslyn; special track work such as pocket tracks to expand core capacity; completion of the Metrobus Priority Corridor Network (PCN); implementation of next generation communications including regional transit trip planning and payment (NEPP) systems; and bus fleet expansion.

While several of VRE’s governing jurisdictions have endorsed Momentum: The Next Generation of Metro, others that have no direct stake in Metro have not. Yet, VRE riders from every governing jurisdiction connect daily with Metro from VRE or utilize VRE’s “Metro Option” during VRE service disruptions. Additionally, VRE’s System Plan and other planning endeavors supports the notion that all transit agencies should work collaboratively to plan and implement mobility solutions that will contribute to building an interconnected public transportation network throughout the region. Therefore, it is appropriate for VRE to support Metro’s Strategic Plan.

**Fiscal Impact:**

There is no fiscal impact associated with this action.
WHEREAS, the Virginia Railway Express (VRE) is recognized as an important part of the transportation system for Northern Virginia and the greater Washington Metropolitan Region; and,

WHEREAS, the success VRE has achieved is due, in part to the connections it provides with the other successful public transportation services in the region; and,

WHEREAS, a quarter of VRE riders take a portion of their commute by connecting with the Washington Metropolitan Area Transit Authority (WMATA) Metrorail or Metrobus routes; and,

WHEREAS, WMATA has developed a new strategic plan called *Momentum: The Next Generation of Metro*; and,

WHEREAS, *Momentum* goals emphasize delivering quality service, ensuring financial stability and improving regional mobility align with VRE’s own mission statement; and,

WHEREAS, VRE is advancing initiatives, such as the Alexandria Station Tunnel, that support *Momentum* strategies to enhance intermodal connections and connect communities with high-quality transit that supports regional trip-making across local boundaries; and,

WHEREAS, VRE is also a regional partner with WMATA in developing its Next Electronic Payments Program (NEPP) which advances the *Momentum* strategy to promote interoperability across modes and will allow VRE riders to seamlessly access the Metro system; and,

WHEREAS, while VRE provides the equivalent capacity of 150 highway lane miles to our region, WMATA and its riders relieve the need to construct at least an additional 1,000 lane miles of roads, thus we are already linked in our goals to provide the region with safe and reliable commuting options; and,
WHEREAS, VRE’s System Plan and planning endeavors support the notion that all transit agencies should work collaboratively to plan and implement mobility solutions that will contribute to a regionally-optimized transportation network through robust use of public transportation.

NOW, THEREFORE BE IT RESOLVED, that the VRE Operations Board supports *Momentum: The Next Generation of Metro*.

Approved this 18th day of October 2013

__________________________________
Paul Smedberg
Chairman

__________________________________
John Cook
Secretary
To: Chairman Smedberg and the VRE Operations Board

From: Doug Allen

Date: October 18, 2013

Re: VRE System Plan Update

VRE staff and the planning consultant have been working since the July to develop preliminary plan recommendations based on the input received from the Operations Board at the System Plan Workshop. Preliminary System Plan recommendations will be presented to gain Operations Board feedback and general consensus on those recommendations to carry forward in the final plan.
VRE conducted its annual customer service survey on board all northbound VRE and Amtrak cross-honor trains on the morning of May 8, 2013. The survey gives riders an opportunity to evaluate VRE operations and system performance. The survey was completed by 6,305 riders, which is approximately the same number of responders as last year.

For the past few years we have seen improvement in nearly every category over the prior year, and this year is no different. While on-time performance (OTP) had been the number one concern of our riders for many years, 89% of those responding rated OTP as excellent or above average, the highest rating we have ever received in this category.

Train crew member performance was also rated higher this year in most categories. The overall train crew performance earned a 90% rating consistent with last year. While the trend is up, there are still opportunities for improvement in some of the individual categories.

Replacing OTP as the number one issue for riders was pricing. However, level of fare for quality and value of service increased from 61% to 67% since last year. Passengers identified more frequent service and more seats on trains as their biggest priorities to be addressed in the next year.
The results indicate that service is still improving with only 2% of respondents indicating that they felt service did not improve over last year. Overall service quality was rated at 88%, the third highest level ever and 4 points better than last year.

VRE is very pleased with the results of this year’s survey and has already taken the initiative to implement a plan to improve service further still in some areas that may result in higher scores going forward.

The survey results are illustrated in the attached summary and full results are available at www.vre.org as downloadable Microsoft Word or PDF files.
VIRGINIA RAILWAY EXPRESS
2013 ANNUAL CUSTOMER SERVICE SURVEY
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsiveness of VRE Staff</td>
<td>89%</td>
<td>88%</td>
<td>Convenience of Schedules</td>
<td>62%</td>
<td>59%</td>
</tr>
<tr>
<td>Friendliness of VRE Staff</td>
<td>88%</td>
<td>89%</td>
<td>On-time Performance</td>
<td>89%</td>
<td>85%</td>
</tr>
<tr>
<td>VRE Follow-Up to Delays or Problems</td>
<td>65%</td>
<td>61%</td>
<td>Cleanliness of Trains</td>
<td>93%</td>
<td>91%</td>
</tr>
<tr>
<td>Lost and Found</td>
<td>69%</td>
<td>70%</td>
<td>Cleanliness of Stations</td>
<td>88%</td>
<td>84%</td>
</tr>
<tr>
<td>Usefulness of Rail Time</td>
<td>80%</td>
<td>77%</td>
<td>Communication between VRE Staff &amp; Riders</td>
<td>81%</td>
<td>77%</td>
</tr>
<tr>
<td>Timeliness of E-mail Responses</td>
<td>62%</td>
<td>58%</td>
<td>Automated Telephone System</td>
<td>72%</td>
<td>67%</td>
</tr>
<tr>
<td>Quality of E-mail Responses</td>
<td>67%</td>
<td>65%</td>
<td>Reliability of Ticket Vending Machines</td>
<td>58%</td>
<td>58%</td>
</tr>
<tr>
<td>Quality of Website</td>
<td>75%</td>
<td>75%</td>
<td>Ease of Buying a Ticket</td>
<td>79%</td>
<td>75%</td>
</tr>
<tr>
<td>Timeliness of Website Information</td>
<td>70%</td>
<td>69%</td>
<td>Ease of Using SmartBenefits</td>
<td>70%</td>
<td>63%</td>
</tr>
<tr>
<td>Timeliness of Train Talk</td>
<td>68%</td>
<td>65%</td>
<td>Station Parking Availability</td>
<td>66%</td>
<td>57%</td>
</tr>
<tr>
<td>Quality of Train Talk</td>
<td>70%</td>
<td>67%</td>
<td>Quality of Public Address System On Train</td>
<td>64%</td>
<td>58%</td>
</tr>
<tr>
<td>Overall Communication with Passengers</td>
<td>77%</td>
<td>72%</td>
<td>Quality of Public Address System On Platform</td>
<td>58%</td>
<td>51%</td>
</tr>
<tr>
<td>Train Crew Members:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are Knowledgeable About VRE Operations</td>
<td>92%</td>
<td>90%</td>
<td>Safety of Train Equipment</td>
<td>87%</td>
<td>84%</td>
</tr>
<tr>
<td>Are Helpful</td>
<td>90%</td>
<td>90%</td>
<td>Station Signage</td>
<td>76%</td>
<td>71%</td>
</tr>
<tr>
<td>Are Courteous</td>
<td>89%</td>
<td>89%</td>
<td>Lighting at Morning Station</td>
<td>85%</td>
<td>82%</td>
</tr>
<tr>
<td>Make Regular Station Announcements</td>
<td>84%</td>
<td>82%</td>
<td>Lighting at Evening Station</td>
<td>85%</td>
<td>82%</td>
</tr>
<tr>
<td>Make Timely Delay Announcements</td>
<td>78%</td>
<td>76%</td>
<td>Traffic Circulation</td>
<td>58%</td>
<td>53%</td>
</tr>
<tr>
<td>Check Tickets Regularly</td>
<td>81%</td>
<td>78%</td>
<td>Level of Fare for Quality and Value of Service</td>
<td>67%</td>
<td>61%</td>
</tr>
<tr>
<td>Present A Professional Appearance</td>
<td>93%</td>
<td>93%</td>
<td>Overall Service Quality</td>
<td>88%</td>
<td>84%</td>
</tr>
<tr>
<td>Overall Crew Performance</td>
<td>90%</td>
<td>90%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## HOT TOPICS FOR PASSENGERS

### What is your number one concern about VRE service?

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4)</td>
<td>On-time performance</td>
<td>1366 (22%)</td>
</tr>
<tr>
<td>A</td>
<td>Lack of seats</td>
<td>959 (15%)</td>
</tr>
<tr>
<td>B</td>
<td>Lack of parking</td>
<td>383 (6%)</td>
</tr>
<tr>
<td>C</td>
<td>Older equipment</td>
<td>158 (3%)</td>
</tr>
<tr>
<td>D</td>
<td>Cost</td>
<td>1535 (24%)</td>
</tr>
<tr>
<td>E</td>
<td>Communication</td>
<td>73 (1%)</td>
</tr>
<tr>
<td>F</td>
<td>Security</td>
<td>122 (2%)</td>
</tr>
<tr>
<td>G</td>
<td>Frequency of service</td>
<td>965 (15%)</td>
</tr>
<tr>
<td>H</td>
<td>Crews</td>
<td>46 (1%)</td>
</tr>
<tr>
<td>I</td>
<td>Other</td>
<td>137 (2%)</td>
</tr>
<tr>
<td>J</td>
<td>No concerns</td>
<td>526 (8%)</td>
</tr>
<tr>
<td>K</td>
<td>Grand Total</td>
<td>6270 (100%)</td>
</tr>
</tbody>
</table>

### What do you think should be VRE’s top priority to address within the next year?

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5)</td>
<td>More seats on the trains</td>
<td>1445 (24%)</td>
</tr>
<tr>
<td>A</td>
<td>More parking at stations</td>
<td>508 (8%)</td>
</tr>
<tr>
<td>B</td>
<td>More frequent service</td>
<td>1870 (31%)</td>
</tr>
<tr>
<td>C</td>
<td>Reverse flow service</td>
<td>491 (8%)</td>
</tr>
<tr>
<td>D</td>
<td>Implementing SmarTrip capabilities</td>
<td>590 (10%)</td>
</tr>
<tr>
<td>E</td>
<td>Implementing WiFi</td>
<td>1183 (19%)</td>
</tr>
<tr>
<td>F</td>
<td>Grand Total</td>
<td>6087 (100%)</td>
</tr>
</tbody>
</table>
SUCCESSES

Cleanliness of Trains

- 2013: 93%
- 2012: 90%
- 2011: 90%
- 2010: 90%
- 2009: 90%
- 2008: 90%
- 2006: 80%
- 2005: 80%
- 2004: 80%

A BETTER WAY. A BETTER LIFE.
SUCCESSES

Responsiveness of VRE Staff

<table>
<thead>
<tr>
<th>Year</th>
<th>% Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>89%</td>
</tr>
<tr>
<td>2012</td>
<td>88%</td>
</tr>
<tr>
<td>2011</td>
<td>86%</td>
</tr>
<tr>
<td>2010</td>
<td>84%</td>
</tr>
<tr>
<td>2009</td>
<td>82%</td>
</tr>
<tr>
<td>2008</td>
<td>80%</td>
</tr>
<tr>
<td>2006</td>
<td>78%</td>
</tr>
<tr>
<td>2005</td>
<td>76%</td>
</tr>
<tr>
<td>2004</td>
<td>74%</td>
</tr>
</tbody>
</table>

A BETTER WAY. A BETTER LIFE.
SUCCESSES
Cleanliness of Stations

- 2013: 88%
- 2012: 84%
- 2011: 82%
- 2010: 78%
- 2009: 76%
- 2008: 74%
- 2006: 72%
- 2005: 70%
- 2004: 68%
SUCCESSES
Check Tickets Regularly

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>81%</td>
</tr>
<tr>
<td>2012</td>
<td>78%</td>
</tr>
<tr>
<td>2011</td>
<td>78%</td>
</tr>
<tr>
<td>2010</td>
<td>76%</td>
</tr>
<tr>
<td>2009</td>
<td>74%</td>
</tr>
<tr>
<td>2008</td>
<td>74%</td>
</tr>
<tr>
<td>2006</td>
<td>70%</td>
</tr>
<tr>
<td>2005</td>
<td>70%</td>
</tr>
<tr>
<td>2004</td>
<td>68%</td>
</tr>
</tbody>
</table>
OPPORTUNITIES

Usefulness of Rail time

- 2013: 80%
- 2012: 70%
- 2011: 60%
- 2010: 50%
- 2009: 40%
- 2008: 30%
- 2006: 20%
IMPROVEMENT PLAN

• Ticket Checking
  – 100% Checks (Every section of every car on every train)
  – Consistent enforcement

• Rail Time
  – Differentiate Manassas and Fredericksburg Trains
  – Improved GPS capability to show individual tracks
  – Add overlay to include Amtrak Trains
FINAL METRIC

Overall Service Quality

- 2013: 88%
- 2012: 80%
- 2011: 70%
- 2010: 80%
- 2009: 80%
- 2008: 70%
- 2006: 70%
- 2005: 70%
- 2004: 70%
QUESTIONS?
TO: Chairman Smedberg and the VRE Operations Board

FROM: Doug Allen

DATE: October 18, 2013

RE: Maintenance and Custodial Services for VRE Facilities

Background

VRE has provided routine maintenance and custodial services at most VRE stations and yards through one or more contracts with private companies since service began in 1992, except for those instances in which VDOT, the local jurisdiction or some other entity has maintenance responsibility. Until 2009, the maintenance and custodial services were covered under a single contract with terms typically spanning five years. The decision to separate the custodial and maintenance scope of work into two distinct contracts was based on VRE’s previous experience with procuring these services and the need to solicit more competition and obtain higher levels of service.

In general, the custodial contract covers daily trash collection, cleaning of stations and station amenities, power washing parking garages, lawn and tree maintenance, pest control, gutter cleaning and snow removal. As VRE has expanded facilities over the years, the scope of this contract has grown accordingly.

The maintenance contract covers preventative maintenance on the various building systems related to stations and the two layover yards. This contract requires expertise in heavy electrical systems (such as wayside power), HVAC maintenance, plumbing and fire
protection systems, elevator troubleshooting and maintenance, standby generator maintenance, lighting maintenance, communication systems, and environmental remediation. The maintenance contractor typically uses subcontractors to perform many of the required services, under their oversight and management. As the VRE facilities have aged, the cost of maintenance has grown as well.

Both contracts include a fixed fee for established ongoing services and also allow for additional services to be performed on a task order basis. The custodial contract is primarily based on a fixed fee, with small blanket task orders, while the maintenance contract utilizes more significant task orders. There are two types of task orders that are typically issued under these contracts:

**Blanket task orders:** These are task orders that cover work that cannot be priced upfront, such as electrical or plumbing repair services, but that are expected to occur each year. The cost is handled on a time and materials basis utilizing pre-established labor rates and material handling costs, with an established “Not to Exceed” amount for each type of service. Blanket task orders allow VRE to respond quickly and complete repairs without compromising safety or impacting service. Most of these tasks are in the scope of the maintenance contract, and represent the bulk of work done under this contract.

**Other task orders:** These are task orders that cover work that can be priced prior to performing the work but occur only as required, such as specific repairs, replacement of systems or small construction projects. Typical examples are cleaning drainage structures or ditches around stations, restriping parking lots, station painting, concrete repairs, signage, and roof replacement.

**Prior Custodial and Maintenance Procurements**

On July 6, 2004, VRE advertised a Request for Proposals (RFP) for facility maintenance and management services. The scope of work for the solicitation included the award of a single contract for daily custodial services, winter weather services maintenance and repair services.

On August 6, 2004, two proposals were received from NV Enterprises and D & L Contractors. The proposals from both contractors were thoroughly evaluated and NV Enterprises was determined to be the most responsive and responsible contractor based on the evaluation criteria included in the solicitation.

Upon the Operations Board approval in August 2004, a contract was awarded to NV Enterprises for one year with the option to extend for four additional one-year periods.

On June 24, 2009, with the five year term of the contract executed in 2004 coming to an end, VRE advertised an RFP for custodial services and facilities maintenance services.
In an effort to obtain greater competition and to attract more interest from contractors, the solicitation was structured such that two contracts would be awarded, one for custodial services and a second contract for facilities maintenance services. VRE developed a list of twelve prospective contractors to receive notification of the solicitation. Additionally, a two-day advertisement was placed in the Washington Post. Proposals were subsequently due on July 31, 2009.

A single proposal from NV Enterprises was received in response to the custodial services portion of the RFP and a single proposal from NV Enterprises was also received for the facilities maintenance services portion of the RFP. Following evaluation processes and authorization from the Operations Board, two contracts were ultimately awarded to NV Enterprises, with a beginning date of November 1, 2009. The initial term for both contracts was for one year with the option to extend for four additional one-year periods. Because of concerns raised by the Operations Board in October 2012, the third option year was renewed for only six months, until May 1, 2013, so that a new procurement could be initiated.

**Current Custodial and Maintenance Contracts**

On February 21, 2013 VRE advertised an RFP to again establish two contracts: one to perform custodial and landscaping services and the second to perform maintenance services for VRE facilities. Notification was sent to fifteen companies.

As part of the solicitation process, VRE conducted an optional pre-proposal meeting to provide prospective contractors with an overview of the scope of work for both the custodial and maintenance services contracts. The meeting also afforded interested contractors the opportunity to ask questions about any aspect of the contracts and scope of work. Seven firms attended the meeting conducted at the VRE offices. Proposals were received on March 22, 2013.

In response to the custodial services portion of the RFP, VRE received four proposals from the following firms: Alianza Building Services; Drummac; Fresh Air Duct Cleaning; and NV Enterprises.

In response to the maintenance services portion of the RFP, VRE received a single proposal from NV Enterprises. In light of the limited response for maintenance services, and as a standard practice when a single bid or proposal is received, VRE immediately reached out to the contractors on the solicitation mailing list to conduct a survey to understand why each firm elected not to submit a proposal to provide maintenance services. The responses received from the survey included the following explanations:

- The timing of VRE’s solicitation coincided with other on-going projects, so the company was not able to submit a proposal to VRE that was up to their standards.
- They were unable to meet the requirement for the contractor’s license.
• The company was not large enough and thus did not have the financial resources necessary to obtain the required payment and performance bonds.
• VRE facilities are not centrally located, but rather are spread out over several counties and are too far from the company’s headquarters.
• The company is only interested in performing work as a subcontractor for one specific discipline, and is not able to perform or supervise the other required services.

In light of the fact that only a single proposal was received, VRE considered re-advertising the solicitation in an attempt to solicit more competition. However, it was ultimately decided that the result would in all likelihood be the same for this contract.

The scope of work for custodial and landscaping services elicited a greater response because a larger number of firms possess the necessary capability to provide or oversee all required services. The number of general construction services companies that are capable of providing or managing all trades related to facility maintenance including expertise in highly specialized electrical systems and experience in working around a railroad environment is limited. The VRE system is comprised of 18 stations in various jurisdictions which makes this work less attractive for potential contractors that typically focus on areas local to them.

**Review of Proposals**

Both proposals were reviewed by technical evaluation teams comprised of three VRE staff members, based on predetermined criteria as outlined in the RFP. The evaluation process was also closely monitored by VRE contract administration staff in order to assure that the evaluation was conducted in accord with all requirements.

For the custodial and landscaping contract, an initial evaluation was performed to determine the shortlist of companies to be interviewed. In this instance, all four companies were interviewed. After the interviews, the evaluations were completed with a numeric score ranking each company. The firm selected by the evaluation committee was Fresh Air Duct Cleaning, the company that had provided custodial services as a subcontractor since November 2012.

For the maintenance contract, the single proposal submitted by NV Enterprises was thoroughly assessed by the evaluation committee. A reference check, financial analysis and cost/price analysis were conducted to ensure that NV Enterprises was both responsible and responsive to all elements of the solicitation.
Contract Costs and Price Reasonableness

The contract with Fresh Air Duct Cleaning for custodial and landscaping services was authorized at a not to exceed amount of $1.7M for the initial one year period. This amount includes the following components:

- A flat fee of $1,032,000 paid in equal monthly installments to provide required ongoing cleaning, trash removal and grounds maintenance services, based on the cost proposal submitted by Fresh Air. The scope of work will be amended as necessary to address custodial needs associated with the Spotsylvania Station once this facility becomes operational.

- An amount not to exceed $668,000 for winter weather services, provided on a time and materials basis, and for task orders for specific identified work projects that are priced prior to the issuance of the task order. This amount was included based on the cost of these combined services in prior years.

The contract with NV Enterprises for maintenance services was authorized at a not to exceed amount of $1.1M for the initial one year period. This amount includes the following components:

- A flat fee of $56,173 for the initial one year period paid in equal monthly installment for routine preventive maintenance services. This amount was less than VRE’s initial cost estimate for these services.

- Funds for expected task order work on an as needed basis to address electrical, plumbing, HVAC, generator and elevator repairs and maintenance, with pricing based on billing rates for various trades submitted as part of the procurement process. The blanket task orders established at the beginning of the contract year total approximately $300,000.

- The remaining contract amount of approximately $750,000 are available for additional task order services, priced prior to the issuance of the task order, for a variety of tasks such as replacement of utility poles or electrical cables, re-grading, or concrete repairs.

Payment to Prime Contractor

As described above, much of the work done under the maintenance contract and previously done under the custodial contract was performed by subcontractors. As in all such circumstances, VRE’s contractual arrangement is with the prime contractor and payment is made to this entity. Once payment is received from VRE, it is the responsibility of the prime contractor, such as NV Enterprises, to pay all of its subcontractors. VRE does not pay any subcontractors directly. Pursuant to the invoice criteria for these contracts, NV Enterprises was required to submit copies of all subcontractors’ invoices.
In addition, VRE requires the prime contractor to submit for approval a list of subcontractors and their required signed certifications/contracts and contact information. During the period of performance, the contractor shall not substitute subcontractors and/or key personnel without the written approval of VRE.

**Other Procurement Options Moving Forward**

The base year of the two current contracts expires on May 1, 2014. If the Operations Board would like to consider alternatives to exercising the first of the four option years for one or both contracts at that time, some approaches are outlined below.

1. *Separate scope of work into smaller contracts:* Contracts can be established based on location and/or specific discipline. This approach will require extensive administrative and procurement effort to perform and maintain. Furthermore, oversight and coordination of several contractors may require an increase to staff resources, since one person currently handles all facilities, and depending on contractors’ own abilities, the quality of service might not be uniform throughout the system. Whether further subdivision of the maintenance scope of work would increase contractor interest would not be known until proposals were received.

2. *Bring services in-house:* This approach has been considered previously by VRE staff, but further analysis would need to be done to establish the costs and benefits of this approach. Startup of this type of service will require substantial hiring and training efforts.

3. *Services by jurisdictions:* This method would require each jurisdiction to provide custodial and maintenance services for their respective station(s). Currently, some facilities have a shared maintenance approach with jurisdictions. This approach can be expanded to all stations, but would be a shift of the costs and responsibility to the jurisdictions in which the stations are located. VRE staff would need to continue to play a coordination and liaison role.

4. *Include responsibilities in the scope of work for the operations and maintenance contract:* Currently the operations and maintenance contract with Keolis provides a similar scope of services for the maintenance facilities at the VRE yards. VRE might recognize synergies in combining some of these services with the yard maintenance services.