To: Chairman Smedberg and the VRE Operations Board

From: Doug Allen

Date: September 20, 2013

Re: Authorization to Issue a Request for Proposals for Website Design and Development

Recommendation:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to issue a Request for Proposals (RFP) for website design and development to fully redesign the VRE website and implement a content management system (CMS) for VRE.

Background:

The VRE website was last upgraded in 2005 and by today's standards the current website lacks the sophistication via content management to provide VRE with a level of service that it is accustomed to providing its users. Additionally, the website currently lacks any capacity to monitor and assess user patterns to better enable VRE to serve its riders and the general public.

VRE will solicit proposals from a firm or individual designer/website developer to redevelop VRE's current website (vre.org) in order to enhance its overall online presence. Our goal is to expand on-line information about VRE's services and keep passengers, visitors and others better informed about various train service, schedules, activities and events, as well as support necessary communication throughout the system.
The immediate goal of this project is to redesign the current website’s existing content into a format that will be easily navigated, easily updated, that contains downloadable documents, and that will position the website for further growth and development in the future.

The new website is expected to consist of a main site with separate pages as required to incorporate all current website content and primary web services including e-mail links as well as links to outside websites where necessary. The information architecture that is the basis for the immediate upgrade must be able to handle increased content and additional features through the use of content management system (CMS) templates and add-on components/plug-ins.

**Goals Of The Solicitation:**

1. Redesign the website with a new look and feel that reflects VRE’s diverse make up and vision.
2. A website that is modern and visually appealing.
3. Improve the website information architecture to provide easier navigation and accessibility of the site to VRE schedules, fares, information and activities.
4. Improve the timeliness of website information being updated through the use of a content management system (CMS).
5. CMS functions that will no longer have VRE reliant on an outside webmaster to add new web pages/documents and make changes to existing pages.
6. A design architecture that will allow for easy accommodation of new pages and features as well as future sub-sites.

Upon receipt of qualified proposals, VRE will return to the Operations Board with a request for authorization to award the contract.

**Fiscal Impact:**

Funds are allocated in the annual FY 2014 operating budget based upon estimated costs.
Virginia Railway Express
Operations Board

Resolution
8A-09-2013

Authorization to Issue a Request for Proposals for Website Design and Development

WHEREAS, in July 2005, VRE entered into a contract with AITG, Incorporated for website redesign work; and,

WHEREAS, that contract constitutes the last major investment by VRE for its website and internal contract system management of the website; and,

WHEREAS, the VRE website today is one of the most vital links with our passengers and potential customers that VRE staff is recommending that a complete overhaul of the existing web infrastructure be initiated to incorporate the latest technology and more user friendly applications for our passengers and the general public.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the VRE Chief Executive Officer to issue a Request for Proposals to redesign the existing VRE website and to implement the content management system for the new VRE web page.

Approved this 20th day of September 2013

__________________________________
Paul Smedberg
Chairman

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

From: Doug Allen

Date: September 20, 2013

Re: Authorization to Issue a Request for Proposals for Federal Relations Services

Recommendation:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to issue a Request for Proposals (RFP) for federal relations services to assist with federal agencies, institutions and elected officials.

Background:

From time to time VRE requires assistance on issues pending before Congress or with the federal agencies. Federal relations services are needed to more effectively communicate VRE's issues, needs and perspectives on a variety of federal issues.

Descriptions of potential services that will be required are as follows:

1. Coordinate with VRE to address critical federal policies and/or regulations that could impact VRE's interests.
2. Advise VRE of federal policy or legislative issues that could significantly impact VRE's operations, powers and authorities and procedures.
3. Advise VRE on strategies to accomplish VRE's legislative agenda.
4. Upon request, assist in the development and implementation of VRE's annual Legislative Program.
5. Help formulate testimony before committees and subcommittees of Congress on behalf of VRE.
6. Interact with members of the Congressional staff or federal agencies staff to explain and advocate VRE’s policy/legislative interests.
7. Provide periodic status reports as to matters of interest to the VRE pending before the Congress.
8. Assist with issues concerning VRE’s involvement with Amtrak and the Northeast Corridor Commission.

Upon receipt of qualified proposals, VRE will return to the Operations Board with a request for authorization to award the contract.

**Fiscal Impact:**

Funds are allocated in the annual FY 2014 operating budget based upon estimated costs.
Virginia Railway Express  
Operations Board  

Resolution  
8B-09-2013  

Authorization to Issue a Request for Proposals for Federal Relations Services.

WHEREAS, there is a need for VRE to effectively interact with federal agencies, Congressional staff, committees and members on regulations, prospective legislation and other VRE related issues; and,

WHEREAS, VRE Operations Board annually adopts a federal legislative agenda; and,

WHEREAS, that legislative agenda often calls for communicating a need or position on behalf of VRE before Congress or a federal agency; and,

WHEREAS, it is in VRE’s interest to secure federal relations services to assist VRE in addressing these federal issues.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the VRE Chief Executive Officer to issue a Request for Proposals for federal relations to assist VRE with federal issues.

Approved this 20th day of September 2013

_________________________________________________  
Paul Smedberg  
Chairman

_________________________________________________  
John Cook  
Secretary
Agenda Item 8-C
Consent Agenda Item

To: Chairman Smedberg and the VRE Operations Board

From: Doug Allen

Date: September 20, 2013

Re: Authorization to Issue a Request for Proposals for the Installation of Security Cameras at Broad Run Station

Recommendation:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to issue a Request for Proposals (RFP) for the installation of security cameras at Broad Run station.

Background:

The scope of work for the RFP includes the installation of five (5) Indigo Vision cameras, five (5) encoders/decoders, and one (1) network video recorder (NVR). VRE is requesting permission to solicit proposals for the purchase and installation of the security cameras. Cameras would be placed on train station platforms and other locations where VRE could capture customer activity while at the stations. Cameras would also be placed on top of the station entrance canopy roof where views of the parking lot and the train gate at the train yard may be observed to capture potential criminal activities. The scope includes the purchase and installation of 5 security cameras and all the networking components necessary for the recording of video feed and remote access to the system software. Local access will be provided to security staff at the yards and remote access will be provided to VRE staff.
Upon receipt of the proposals, VRE will return to the Board to request authorization to award the contract.

**Fiscal Impact:**

Funding is available from the Broad Run platform expansion project in the VRE capital budget using an FY 2009 federal grant. Local match is being provided using state and local funds.
Virginia Railway Express
Operations Board

Resolution
8C-09-2013

Authorization to Issue Request for Proposals for the Installation of Security Cameras at Broad Run Station

WHEREAS, in 2011, the Operations Board authorized an extension of the station platform at Broad Run; and,

WHEREAS, in February 2012, the new extended platform was completed and opened to VRE passengers; and,

WHEREAS, it is recommended that additional cameras should be installed and integrated into VRE’s existing camera system using software and hardware known as Indigo Vision; and,

WHEREAS, cameras installed at Broad Run would have extended views of the entire station platform at Broad Run.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to issue a Request for Proposals (RFP) for the purchase and installation of security cameras at the Broad Run station.

Approved this 20th day of September 2013

______________________________
Paul Smedberg
Chairman

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

From: Doug Allen

Date: September 20, 2013

Re: Authorization to Issue a Request for Proposals for Professional Services of a Database Developer Expert

Recommendation:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to issue a Request for Proposals (RFP) for the professional services of a Database Developer Expert.

Background:

The scope of work for the RFP includes the professional services of a Database Developer Expert who will be tasked to design, develop, and implement a consolidated database application that will be used by all VRE staff members. The custom database application will provide a single user interface to provide VRE a decision support system and allow management of customer relations, fleet and service operations, and related financial data. The project will have three phases; Phase 1 focusing on customer related data, phase 2 focusing on fleet and service operations data and related financial data, and phase 3 focusing on a decision support system using data analytics and business intelligence programs to provide systems dashboard and data mining queries and reports.
Upon receipt of the proposals, VRE will return to the Board for authorization to award the contract.

**Fiscal Impact:**

Funding is provided for in the FY 2014 and tentatively FY 2015 operating budgets for Information Technology.
Virginia Railway Express
Operations Board

Resolution
8D-09-2013

Authorization to Issue a Request for Proposals for Professional Services of a Database Developer Expert

WHEREAS, VRE staff members are using multiple sources of various customer data collected since 1993 shown in different formats; and,

WHEREAS, VRE staff members are utilizing various data applications developed and owned by multiple third-party contractors to store and query customer, fleet, and service operations data; and,

WHEREAS, it is recommended that VRE should consolidate all database information by developing a customized database application; and,

WHEREAS, the custom database application will have a single user interface to allow management of all collected data and to provide data dashboards and reports to be used as a decision support system.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to issue a Request for Proposals (RFP) for the purchase of professional services provided by a Database Developer Expert.

Approved this 20th day of September 2013

______________________________
Paul Smedberg
Chairman

______________________________
John Cook
Secretary
Agenda Item 8-E
Consent Agenda Item

To: Chairman Smedberg and the VRE Operations Board
From: Doug Allen
Date: September 20, 2013
Re: Authorization to Award a Purchase Order for Heavy Interior Cleaning of VRE Rail Cars

**Recommendation:**

The VRE Operations Board is being asked to authorize the Chief Executive Officer to execute a Purchase Order with Service Master Preferred Services of Woodbridge, VA in the amount not to exceed $86,064, plus a 10% contingency of $8,606, for a total amount not to exceed $94,670.

**Background:**

In order to maintain cleanliness and good working order of VRE passenger cars, VRE currently requires heavy interior cleaning of every VRE passenger car twice per year, typically in the spring and fall. As such, VRE established service contracts with local providers to accomplish this requirement.

In May of 2012, VRE executed a contract for heavy interior cleaning of VRE passenger cars with Service Master Preferred Services of Woodbridge, VA. The Contract was for a base one year with two one year options.

VRE reevaluated the contract requirements and determined that due to the type of service, a performance bond was not necessary. It was also determined that because of the size of the companies performing the services, a performance bond was not easily obtained.
Therefore, in March of 2013, VRE did not exercise the first option year of the contract. However, in an effort to obtain services for the fall, VRE solicited a Request for Quotes (RFQ). Quotes were received on September 3, 2013. A mailing list of seven (7) prospective Quoters were established for the solicitation to ensure access to adequate sources of services. Four (4) responses were received.

The quote tabulation is as follows:

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<th>Quoters</th>
<th>Quote Amount</th>
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<td>2. Alianza Building Services</td>
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</tr>
<tr>
<td>3. ServPro</td>
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<tr>
<td>4. Bravo Building Services</td>
<td>No quote</td>
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</table>

After review of the quotes, it was determined that Service Master Preferred Services was the only firm to submit a quote. The remaining three (3) declined in writing not to submit a quote. The staff certified that the price is fair and reasonable.

**Fiscal Impact:**

Funding is provided for in the FY 2014 operating budget for Equipment Operations.
Resolution
8E-09-2013
of the
Virginia Railway Express
Operations Board

Authorization to Award a Purchase Order for
Heavy Interior Cleaning of VRE Rail Cars

WHEREAS, VRE requires heavy interior cleaning of passenger cars in the spring and fall of each calendar year; and,

WHEREAS, VRE had executed a Contract in May of 2012 with a service provider for heavy interior cleaning of passenger cars; and,

WHEREAS, VRE did not exercise the option year for the existing Contract for heavy interior cleaning of passenger cars due to the determination that the contract requirement of a performance bond was not necessary; and,

WHEREAS, VRE solicited for the same work through the Request for Quotes (RFQ) process; and,

WHEREAS, VRE received a responsive-responsible quoter.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board is being asked to authorize the Chief Executive Officer to execute a Purchase Order with Service Master Preferred Services of Woodbridge, VA in the amount not to exceed $86,064, plus a 10% contingency of $8,606, for a total amount not to exceed $94,670.

Approved this 20th day of September 2013

______________________________
Paul Smedberg
Chairman

______________________________
John Cook
Secretary
Agenda Item 9-A
Action Item

To: Chairman Smedberg and the VRE Operations Board

From: Doug Allen

Date: September 20, 2013

Re: Referral of Results of the Employee Compensation Study to the Potomac and Rappahannock Transportation Commission and Authorization to Approve PRTC/VRE Personnel Policy Amendments

Recommendation:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to refer the results of the Employee Compensation Study to the Potomac and Rappahannock Transportation Commission for their consideration.

Background:

In October 2012, the Operations Board authorized a solicitation for an employee compensation study. VRE employees are technically Potomac and Rappahannock Transportation Commission (PRTC) employees so for efficiency and internal consistency, the solicitation included the regular PRTC employees as well. On February 15, 2013, the Operations Board recommended that PRTC enter into a contract with The Segal Company for the compensation study. The study is posted on the VRE website and a link to the report was sent to the VRE Operations Board Members.
Segal developed a list of thirteen peer employers consisting of local public sector entities, as well as rail and bus systems. They collected information on salaries, pay practices, and health and retirement benefits. With the information from these markets, they were able to compile the necessary data for comparing to VRE’s and PRTC’s salaries and benefits. Segal compared each of the positions, their job requirements and actual duties to comparable positions in the other relevant organizations.

Segal concluded the majority of the positions for VRE’s and PRTC’s pay structure are at market and generally within expected pay ranges. However, there are some positions which are above or below market. In order to address this, Segal has proposed amending the grade assignments for those positions.

Six positions were adjusted slightly from the Segal recommendations in order to achieve internal consistency. The end result in terms of classifications is as follows; five positions have an increase in grade, eleven positions are decreased in grade, and nineteen positions have no grade change. The net salary increase of these changes is approximately $8,500.

There are three positions where the incumbents’ salary exceeds the pay grade. In keeping with industry best practices, these salaries will be frozen at their current levels until such time the grade range has increased to allow growth.

Additionally, three positions which were previously ungraded (Deputy Chief Executive Officer/Chief Operating Officer, Chief Development Officer and Chief of Staff) were slotted appropriately. The Deputy CEO/COO position was graded higher than the current payscale, therefore the recommendation is to amend the PRTC/VRE Policy IV Pay Plan and Employee Compensation, Section I.B. to add three higher grades to the existing general pay scale to accommodate the Deputy CEO/COO position.

Separate from the compensation study, there were three employees who were promoted during the time of the study but received no pay increases, at the time of the promotion pending the completion of the study. These promotions will result in an additional annual expense of approximately $41,000.

The completed report from Segal and the revised General Payscale is attached.

**Fiscal Impact:**

The annual expense associated strictly with the reclassifications is approximately $8,500. Additionally, a number of employees were promoted within the last year, but were not compensated until the study was complete. Those expenses total approximately $41,000. The total fiscal impact to the budget is approximately $49,000 annually. The budget can accommodate these increases.
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### PRTC/VRE General Payscale FY 2014
Annual/Bi-weekly/Hourly Salary
Effective 7/1/13

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**PRTC/VRE**  
**General Payscale FY 2014**  
**Annual/Bi-weekly/Hourly Salary**  
**Effective 7/1/13**

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To: Chairman Smedberg and the VRE Operations Board

From: Doug Allen

Date: September 20, 2013

Re: Referral of Preliminary FY 2015 VRE Operating and Capital Budget to the Commissions

Recommendation:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to refer the Preliminary FY 2015 VRE Operating and Capital Budget to the Commissions for their consideration, so that the Commissions, in turn, can refer these recommendations to the jurisdictions for their review and comment.

Background:

In accordance with the VRE Master Agreement, which outlines the process for annual budget approval, the preliminary FY 2015 VRE Operating and Capital Budget are attached for review. The Budget Guidelines considered by the Operations Board in June are also provided as an attachment.

VRE staff met with the CAO Taskforce in August and September to discuss jurisdictional budget issues and concerns and to review current VRE projections. **The most significant projection at this time is the impact on VRE of the provisions of MAP-21, the new federal transportation funding legislation.** At the state and regional level, the state is in the process of finalizing proposals for altering the statewide funding formulas for both operating support and capital projects and
for distributing the new revenue established under HB 2313. New regional funding through the Northern Virginia Transportation Authority (NVTA) is anticipated, affecting both FY 2014 and FY 2015. Federal funding for access fee reimbursement has not been established for FY 2015 since the funds provided in FY 2014 were approved for only one year.

A Capital Committee of the Operations Board was established by the Chairman in December 2012 and met monthly from January through June 2013. The Committee spent a substantial amount of time reviewing a proposed set of financial and debt management principles and the life-cycle maintenance and renewal costs of VRE’s major capital assets. As the result of the work of the Committee, the capital budget process has been altered substantially, as described in more detail below. The Committee will continue to discuss the financial principles in the context of the FY 2015 proposed budget.

**Discussion:**

The FY 2015 preliminary budget totals $118.3 million with the addition of an eight car train on the Fredericksburg line in July 2014, following the completion of the L’Enfant storage track. Assuming no change to either fares or subsidy, the FY 2015 preliminary budget reflects that $2.5 million of costs are currently unfunded. As in the past, VRE will submit a balanced budget to the jurisdictions in the beginning of December for evaluation prior to submission to the Operations Board later that month.

Both revenue and expenses are still under review and these projections are expected to change considerably over the next several months. The assumptions used in preparing the preliminary draft are as follows:

1. Federal formula funding is based on an estimation of what VRE will receive under the new Section 5337, State of Good Repair formula program in the two years covered by the MAP-21 reauthorization (VRE FY 2014 and FY 2015) and in future federal reauthorizations. **The current estimate is that VRE will receive an additional $9.7M of program funds annually (80% federal plus required match), compared to the amount received in FY 2013 under the prior Fixed Guideway program.** However, the VRE share of the allocation to the Washington region is still under review and this estimate may be materially increased or decreased. In addition, the exclusive focus on State of Good Repair projects may present some programming challenges; this issue will also be further clarified over the next few months. With the estimated additional funding, VRE may be able to complete the purchase of the remaining seven replacement railcars in FY 2014, which will free up funds for
other purposes in FY 2015. Once the VRE allocation is established, the rail car purchase will be brought to the Operations Board for approval.

2. Fare revenue is budgeted at $37.0 million with no fare increase. Ridership is estimated at 19,900 with service at the increased level of 34 daily trains, with the addition of the Fredericksburg line train. Average daily ridership in FY 2013 was 18,878. Staff is closely monitoring the impact of ongoing federal furloughs on VRE ridership and revenue.

3. An eight car Fredericksburg line train is budgeted for a full year. The assumption is that leased cars will be available to start the service, with additional cars purchased when funding permits. The current gross cost for this train is $3.3 million with net costs projected at $1.8 million. Alternatives to this concept currently being analyzed are as follows:

   - Retain eight legacy cars for the short term to start the service and purchase additional cars when funding permits. This option might require some additional funds to extend the life of the legacy cars.
   - Utilize existing equipment and operate reverse flow/turn trains. Will need to sort out available train slots and other schedule related issues.

4. Commonwealth formula funding for operations of $8.1 million was received in FY 2014. For FY 2015, $10.1 million is currently budgeted. Staff has budgeted the additional $2.0 million to reflect VRE's share of the additional revenue that will be allocated by DRPT for operations. VRE has been closely following the deliberations of the Transit Service Delivery Advisory Committee (TSDAC) which is recommending how these funds should be allocated for both a supplemental appropriation in FY 2014 and for the full allocation in FY 2015. The FY 2014 supplemental amount and the formula for FY 2015 will be established prior to the presentation of the proposed budget in December.

5. Commonwealth capital funding is currently projected at a match rate of either 50% of the non-federally funded share of project costs or 45% of total costs, if no federal funds are available. This is generally in line with past funding. TSDAC recommendations are also being developed for the allocation of capital funds in FY 2015, currently based on three funding tiers of 45%, 25% or 15% of gross project costs, regardless of the amounts of federal funding assigned to the project; for VRE this could result in significantly higher state contribution amounts. Because this methodology is still under discussion, the current funding patterns are reflected in this budget estimate. Decisions on the methodology for FY 2015 and future funding years are expected to be made prior to the presentation of the proposed budget in December.
6. Access fee reimbursement is currently being estimated at a level similar to FY 2014, with an 83% combined rate for both STP and state match. Staff will work with DRPT to establish a projection for the FY 2015 funding level.

7. The process of developing the capital program has been expanded considerably, as noted above, and the attendant recommendations are incorporated in the attached Sources and Use schedule for FY 2015 and will be further developed in the six year forecast. Capital needs have been identified and prioritized and funding sources and methods have been considered beyond the available federal formula funds. An annual capital reserve contribution of $3 million is recommended, and funds are programmed for future project development. The NVTA projects recommended for funding in FY 2014 will be incorporated into the revised FY 2014 budget and a list of projects for submittal to NVTA for FY 2015 and future years will be developed and incorporated into the six year capital program. A program of projects that will support the System Plan discussion is being developed for incorporation into the capital program as well, with funding recommendations including the possibility of additional debt issuance. All of these recommendations will be reviewed in detail over the next several months with the assistance of the Capital Committee.

8. Contractually set increases in access fee expenses of 4% will occur for Norfolk Southern and CSX. Amtrak contract increases are based on changes to the AAR, a nationally published index of railroad costs, and the bulk of the Keolis contract costs increase by the annual change to the CPI, based on the twelve month increase published in November.

9. In the event the Operations Board chooses to rebid the operations and maintenance contract, $2 million is included for mobilization funding in the current budget draft. This cost is funded with one-time funds from the surplus anticipated at the end of FY 2013.

10. Fuel expenses of $6.0 million are budgeted based on a per gallon cost of $3.50. Because the cost of fuel also impacts the fuel tax revenue which many of the jurisdictions use as the source of funding for the VRE subsidy, a revised fuel tax projection for the PRTC jurisdictions will be prepared in the fall.

11. VRE staff recommends adding two FTE employees to the equipment operations department to provide direct oversight of contract employees at VRE maintenance facilities. Currently, this function is being performed by consultants under the MEC V contract. Having VRE staff provide this direct oversight will provide additional efficiencies. This action is cost neutral.
12. CMAQ funding is recognized for the Lorton Platform extension in the amount of $1.5 million and Rippon second platform for $2.0 million, based on the funding schedule prepared by NVTA.

The major significant changes in the FY 2015 proposed budget compared to the adopted FY 2014 budget are as follows:

**Revenue:**
- $400k increase in fare revenue due to a combination of projected level ridership on current trains and the addition of the Fredericksburg train
- $6.0 million increase in other funds for non-NVTA rolling stock and project development expenses
- $14.6 million in additional federal and state subsidies broken out as follows:
  - $9.3 million increase in federal and $4.6 million in state subsidies for increased capital projects, including Rolling Stock, Positive Train Control, Lorton and Rippon Platform Improvements, Ivy City Mail Tracks, and Equipment Life Cycle Maintenance Program
  - $2.9 million increase in the state operating subsidy to reflect the additional funding available statewide
  - $930k increase in the federal subsidy for access fees due primarily to the additional Fredericksburg line train
  - $3.3 million decrease in state funding related to the retirement of debt
- $1.7 million increase in use of reserves, in order to fund mobilization

**Operating and capital expenses:**
- $2.3 million increase in insurance/reserve/mobilization based on the overall increase to the size of the budget between the two budget years and for placeholder mobilization costs
- $1.5 million increase in equipment operations broken out as follows:
  - $1.1 million for lease costs of rail equipment for the proposed additional Fredericksburg line train
  - $240k decrease in professional services as two contract positions no longer required
  - $440k increase in fuel due to projected price per gallon and the addition of the eight car Fredericksburg train
  - $240k for two additional FTEs, netted against a $240k decrease in professional services for the existing two contract positions
- $1.6 million increase to Keolis budget, including both the contractual increase based on the change to the CPI and the addition of the eight car Fredericksburg train
- $1.4 million increase in track access (Amtrak, CSX, and NS) due to contractual obligations and the addition of the eight car Fredericksburg train
• $6.9 million decrease in debt service payments associated with the original bonds that funded VRE, which results in a $3.5 million decrease in subsidy costs. The final monthly payment will be made in FY 2014 and the bonds repaid on July 1, 2014.

• $23.9 million increase in capital projects. Projects include:
  o $2.0 million for positive train control
  o $2.0 million for rolling stock – NVTA
  o $7.3 million for rolling stock – non-NVTA
  o $1.5 million for land acquisition
  o $2.5 million for the Ivy City mail tracks
  o $10.5 million for the equipment life cycle maintenance program
  o $2.0 million for project development
  o $3.0 million for the first year of a recommended annual contribution to the capital reserve
  o $1.5 million for the Lorton platform (CMAQ allocation)
  o $2.0 million for the Rippon platform (CMAQ allocation)

**FISCAL IMPACT – FY 2015 BUDGET:**

Additional draft budgets will be formulated during the fall and reviewed with the CAO Budget Task Force resulting in a balanced budget by December 2013.

Attached are the following:

- FY 2015 Budget Guidelines
- FY 2015 Sources and Use Schedule
- FY 2015 Summary Budget
Virginia Railway Express
Operations Board

Resolution
9B-09-2013

Referral of Preliminary FY 2015 VRE Operating and Capital
Budget to the Commissions

WHEREAS, the VRE Master Agreement requires that the Commissions be presented
with a preliminary fiscal year budget for consideration at their respective
September meetings prior to the commencement of the subject fiscal year; and,

WHEREAS, the VRE Chief Executive Officer has provided the VRE Operations Board
with the preliminary FY 2015 Operating and Capital Budget.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board refers the
preliminary FY 2015 VRE Operating and Capital Budget to the Commissions for their
consideration; and,

BE IT FURTHER RESOLVED THAT, the VRE Operations Board recommends that
the budget be forwarded to the jurisdictions for further formal review and
comment; and,

BE IT FURTHER RESOLVED THAT, VRE staff is directed to consider and address
comments by the jurisdictions and to forward a final recommended budget to the
VRE Operations Board at the December 2013 meeting for consideration and referral
to the Commissions for adoption in January 2014.

Approved this 20th day of September 2013

_______________________________  
Paul Smedberg
Chairman

______________________________
John Cook
Secretary
FY 2015 Budget Guidelines

The budget guidelines apply to the FY 2015 operating and capital budgets and to the six-year plan, which provides a consolidated cash flow projection of all financial factors over a multi-year time frame.

GUIDELINE #1: Level of service.

Issue: Some trains are at over 100% capacity and the addition of the Spotsylvania station and parking facility will further exacerbate this situation.

The addition of 800 additional riders on the Fredericksburg line will have significant implications for safety and for capacity issues at stations further up the line. The service level priority in the FY 2015 budget will be to address this issue through the addition of a 10-car train on the Fredericksburg line and additional measures to alleviate this projected overcrowding. Other various capacity expansion and/or growth scenarios to expand service will be developed and presented, in conjunction with the development of the system plan.

GUIDELINE #2: Capital improvements.

Issue: Funding for capital improvements is currently inadequate to both maintain the existing system and allow for expansion to meet service demand.

The first priority for capital improvements will be to adequately maintain equipment and facilities to support current service levels. The Capital Improvement Program (CIP) will be developed to ensure the most efficient use of all funding sources (federal, state, and local) and to emphasize high priority capital projects to maintain current assets and prepare for growth as funding allows. In order to achieve high priority goals, the recommended program may not be limited to the availability of high percentage reimbursement grant funds. Projects in the Six Year Financial Forecast will comprise both current service level minimum requirements and proposed recommendations for expanding the system. In order for VRE projects to compete successfully for certain federal and regional programs, preliminary work must be completed prior to applying for the grant funds. Consideration will be given to identifying funds that can be used for these preliminary expenses.

Under review by Capital Committee: internal restrictions on use of capital grant funds, beyond that required by grant provisions.
GUIDELINE #3: Reserve levels.

Issue: VRE currently has no mechanism for spreading out large periodic maintenance costs over the life of the asset.

VRE’s current goal is to maintain working capital at an amount no less than two months of operating costs; this reserve allows VRE to efficiently meet its obligations during the course of the year as well as make orderly accommodation for significant shortfalls. In addition, a capital reserve is maintained to provide local match for earmarks and to fund smaller capital projects and/or those for which grant funds are unavailable. Increases to these reserves are provided by surplus funds at year-end and, for the capital reserve, proceeds from the sale of capital assets. Under review by Capital Committee: 1) creation of a maintenance reserve fund that spreads out large periodic costs over the life of major assets; [Note: Information on the level of funding from the new Federal State of Good Repair formula program, which was received subsequent to the June Board meeting, will substantially alter this discussion.] 2) goal of increasing operating reserve level to three months of operating costs.

GUIDELINE #4: Debt parameters and guidance.

Issue: VRE requires significant capital expenditures during the course of the six-year plan to replace the remaining legacy fleet and to maintain and expand the commuter rail service. The use of long-term debt allows VRE to spread capital costs over the useful life of the needed assets, but VRE currently has no adopted set of debt guidelines.

The review of the financial and debt management principles will continue during the FY 2015 budget process, with the proposed capital program and six-year plan as the framework for further analysis. Parameters recommendation will be within industry standards. Review will continue to be conducted by the Capital Committee and their recommendations forwarded to the Operations Board and Commissions.

GUIDELINE #5: Jurisdictional subsidy.

Issue: Ability to fund service within the confines of jurisdictional budget restraints.

Subsidy increases or decreases in FY 2015 and future years will be evaluated based on system requirements, changes to state and federal funding levels and the jurisdiction’s ability to contribute using fuel tax revenue or other sources of funding. VRE will work with jurisdictional staff on formulating future subsidy levels.
GUIDELINE #6: Fare increases.

Issue: Appropriate balance between levels of service necessary to meet customer needs and competitive pricing for that service.

VRE has had three fare increases in the last five fiscal years (FY 2010, FY 2013, and FY2014). These have been necessary to maintain the level of service without being excessive in cost to the rider. Fare increases will be evaluated as the budget process continues, with consideration given to market factors, system funding needs, commuter benefit levels, comparison to relevant indices, and a preference for biennial increases. Staff will attempt to hold any projected annual fare increases to no higher than 5%.
**LEVEL OF SERVICE FOR FY15**

| 34 trains | 19,900 average daily riders |

**SOURCES OF FUNDS**

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**Non-Operating Expenses**

| Operating Reserve | 759,553 |
| Debt Svc (Gallery IV) (11 Cabcars) | 1,931,357 |
| Debt Svc 60 Railcars (Local) | 110,442 |
| Debt Svc 60 Railcars (Fed/State/Local) | 4,673,071 |
| Non-Operating Summary | 7,474,422 |
| Total Expenses (Subtotal) | 83,198,743 |

**Capital Projects**

| Facilities Infrastructure | 500,000 |
| Positive Train Control | 2,000,000 |
| Rolling Stock - NVTA | 2,000,000 |
| Rolling Stock - Non-NVTA | 7,300,000 |
| Land Acquisition | 1,500,000 |
| Ivy City Mail Tracks | 2,500,000 |
| Equip Life Cycle Maint Program | 10,515,000 |
| Transit Enhancements | 90,000 |
| Security Enhancements | 90,000 |
| Project Development | 2,000,000 |
| Capital Reserve Contribution | 3,000,000 |
| Capital Project Summary | 31,495,000 |

**CMAQ**

| Lorton Platform | 1,500,000 |
| Rippon 2nd Platform | 2,100,000 |
| CMAQ Summary | 3,600,000 |

**TOTAL**

| 118,293,743 | 37,000,000 | 15,300 | 165,000 | 18,954,208 | 8,015,000 | 360,000 | 10,100,000 | 9,355,193 | 10,289,500 | 21,159,542 | 2,880,000 | 118,293,743 |

**Fiscal Year 2015**

- Leases: 15,830,000
- Amtrak: 6,070,000
- Total Access Fees: 15,830,000
- CSXT: 6,550,000
- Total: 15,830,000

- Leases: 15,830,000
- Amtrak: 6,070,000
- Total Access Fees: 15,830,000
- CSXT: 6,550,000
- Total: 15,830,000

- Operating Expenses: 75,724,321
  - Leases: 15,830,000
  - Amtrak: 6,070,000
  - Total Access Fees: 15,830,000
  - CSXT: 6,550,000
  - Total: 15,830,000

- Non-Operating Expenses: 7,474,422
  - Operating Reserve: 759,553
  - Debt Svc (Gallery IV) (11 Cabcars): 1,931,357
  - Debt Svc 60 Railcars (Local): 110,442
  - Debt Svc 60 Railcars (Fed/State/Local): 4,673,071

- Non-Operating Summary: 7,474,422
  - Operating Reserve: 759,553
  - Debt Svc (Gallery IV) (11 Cabcars): 1,931,357
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  - Debt Svc 60 Railcars (Fed/State/Local): 4,673,071

- Total Expenses: 83,198,743
  - Operating Expenses: 75,724,321
  - Non-Operating Expenses: 7,474,422
  - Total: 83,198,743
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<td></td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>81,838,573</td>
<td>11,153,000</td>
<td>84,677,536</td>
<td>31,090,800</td>
<td>22,776,762</td>
</tr>
<tr>
<td><strong>Operating/Non-Operating Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance/Reserve/Mobilization</td>
<td>5,979,892</td>
<td>8,321,794</td>
<td></td>
<td></td>
<td>2,341,903</td>
</tr>
<tr>
<td>Executive Management</td>
<td>795,000</td>
<td>1,071,000</td>
<td></td>
<td></td>
<td>276,000</td>
</tr>
<tr>
<td>Passenger Support Services</td>
<td>786,300</td>
<td>443,100</td>
<td></td>
<td></td>
<td>(343,200)</td>
</tr>
<tr>
<td>Public Affairs</td>
<td>327,000</td>
<td>648,000</td>
<td></td>
<td></td>
<td>321,000</td>
</tr>
<tr>
<td>Marketing</td>
<td>415,125</td>
<td>500,000</td>
<td></td>
<td></td>
<td>84,875</td>
</tr>
<tr>
<td>Planning</td>
<td>521,750</td>
<td>933,125</td>
<td></td>
<td></td>
<td>411,375</td>
</tr>
<tr>
<td>Operations and Communications</td>
<td>1,501,000</td>
<td>1,611,250</td>
<td></td>
<td></td>
<td>110,250</td>
</tr>
<tr>
<td>Budget and Finance</td>
<td>2,688,000</td>
<td>2,808,500</td>
<td></td>
<td></td>
<td>120,500</td>
</tr>
<tr>
<td>Communication and Information Technology</td>
<td>1,269,000</td>
<td>1,144,500</td>
<td></td>
<td></td>
<td>(124,500)</td>
</tr>
<tr>
<td>Engineering and Capital Projects</td>
<td>879,500</td>
<td>884,500</td>
<td></td>
<td></td>
<td>5,000</td>
</tr>
<tr>
<td>Facilities Maintenance</td>
<td>3,514,000</td>
<td>3,695,000</td>
<td></td>
<td></td>
<td>181,000</td>
</tr>
<tr>
<td>Purchasing and Contract Administration</td>
<td>317,500</td>
<td>349,500</td>
<td></td>
<td></td>
<td>32,000</td>
</tr>
<tr>
<td>Equipment Operations</td>
<td>10,646,000</td>
<td>12,188,000</td>
<td></td>
<td></td>
<td>1,542,000</td>
</tr>
<tr>
<td>Safety, Security, and Emergency Preparedness</td>
<td>472,500</td>
<td>582,300</td>
<td></td>
<td></td>
<td>109,800</td>
</tr>
<tr>
<td>PRTC</td>
<td>102,000</td>
<td>104,000</td>
<td></td>
<td></td>
<td>2,000</td>
</tr>
<tr>
<td>NVTC</td>
<td>80,000</td>
<td>80,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Keolis</td>
<td>19,040,448</td>
<td>20,656,362</td>
<td></td>
<td></td>
<td>1,615,914</td>
</tr>
<tr>
<td>Amtrak</td>
<td>4,459,000</td>
<td>4,582,942</td>
<td></td>
<td></td>
<td>123,942</td>
</tr>
<tr>
<td>Amtrak Access Fees</td>
<td>5,660,000</td>
<td>6,070,000</td>
<td></td>
<td></td>
<td>410,000</td>
</tr>
<tr>
<td>Norfolk Southern</td>
<td>2,090,000</td>
<td>3,210,000</td>
<td></td>
<td></td>
<td>120,000</td>
</tr>
<tr>
<td>CSXT</td>
<td>5,650,000</td>
<td>6,550,000</td>
<td></td>
<td></td>
<td>900,000</td>
</tr>
<tr>
<td><strong>Total Operating/Non-Operating Expenses</strong></td>
<td>68,194,015</td>
<td>-</td>
<td>76,433,873</td>
<td>-</td>
<td>8,239,859</td>
</tr>
<tr>
<td>CIP Expenditures</td>
<td></td>
<td>11,153,000</td>
<td>35,095,000</td>
<td>23,942,000</td>
<td></td>
</tr>
<tr>
<td>Debt Service/Allowance for Doubtful Accts</td>
<td>13,644,559</td>
<td>6,764,870</td>
<td>(6,879,689)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total CIP and Other Expenditures</strong></td>
<td>13,644,559</td>
<td>11,153,000</td>
<td>6,764,870</td>
<td>35,095,000</td>
<td>17,062,311</td>
</tr>
<tr>
<td><strong>Grand Total Expenses</strong></td>
<td>81,838,573</td>
<td>11,153,000</td>
<td>83,198,743</td>
<td>35,095,000</td>
<td>25,302,170</td>
</tr>
<tr>
<td>Difference by Fund</td>
<td>-</td>
<td>-</td>
<td>1,478,793</td>
<td></td>
<td>(4,004,200)</td>
</tr>
<tr>
<td><strong>Total Difference</strong></td>
<td>-</td>
<td></td>
<td>(2,525,407)</td>
<td></td>
<td>(2,525,407)</td>
</tr>
</tbody>
</table>
Agenda Item 9-C
Action Item

To: Chairman Smedberg and the VRE Operations Board

From: Doug Allen

Date: September 20, 2013

Re: Authorization to Execute a MEC V Task Order for Design, Modification and Installation Services for Security Locks on VRE Passenger Cars

Recommendation:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to issue a task order to STV, Inc., under the MEC V contract, to provide design, modification and installation services for upgraded security locks on VRE passenger cars in an amount not to exceed $93,168, plus a 10% contingency of $9,317, for a total amount not to exceed $102,485.

Background:

In accordance with the VRE System Safety Plan, VRE conducts a system wide threat and vulnerability assessment every two years. As such, a potential area of vulnerability on VRE passenger cars was identified during the previous assessment and staff concurs this issue needs to be remedied. The vulnerability exists due to the type of interior cabinet door locks currently in use on VRE passenger cars.

The current design of the interior cabinet door locks installed on VRE passenger cars pre-date the Rail Safety Improvement Act of 2008. Since this time, the industry has developed interior cabinet door locks to prevent tampering and reduce unauthorized access to vital on-board vehicle electrical and pneumatic control systems.
The work scope for this task order includes design work to integrate the new cabinet door locks, modification of the existing cabinet doors, and installation of the new locks. In all, a total of 467 locks will be replaced. For future VRE passenger car deliveries, all passenger cars will be manufactured with the new interior cabinet door locks.

**Fiscal Impact:**

Funding for this task order is included in the FY 2014 operating budget for railcar maintenance.
Virginia Railway Express
Operations Board

Resolution
9C-09-2013

Authorization to Execute a MEC V Task Order for Design,
Modification and Installation Services for Security Locks on VRE
Passenger Cars

WHEREAS, VRE has a MEC contract with STV, Inc. for Mechanical and Engineering
Consulting Services; and,

WHEREAS, VRE conducted a system wide threat and vulnerability assessment in
accordance with the VRE system safety plan; and,

WHEREAS, a potential area of vulnerability was identified during the previous
assessment; and,

WHEREAS, VRE staff concurs the vulnerability can be mitigated by replacing the
current style interior cabinet security locks.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes
the Chief Executive Officer to issue a task order to STV, Inc., under the MEC V
contract, to provide design, modification and installation services for upgraded
security locks on VRE passenger cars in an amount not to exceed $93,168, plus a
10% contingency of $9,317, for a total amount not to exceed $102,485.

Approved this 20th day of September 2013

________________________________________
Paul Smedberg
Chairman

____________________
John Cook
Secretary
To: Chairman Smedberg and the VRE Operations Board
From: Doug Allen
Date: September 20, 2013
Re: Authorization to Award a Contract for Lubricating Oil Delivery Services for Locomotives

Recommendation:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to execute a contract with Quarles Petroleum, Inc. of Warrenton, Virginia for delivery of lubricating oil for VRE locomotives in the amount not to exceed $318,678, plus a 10% contingency of $31,868, for a total amount not to exceed $350,546.

Background:

VRE locomotives consume various types of lubricating oils. As such, the type and quantity requires routine bulk delivery to reduce operating costs.

On May 17, 2013, the VRE Operations Board approved a request to issue an Invitation for Bids (IFB) for lubricating oil delivery services. A mailing list of seven (7) prospective Bidders was established for the solicitation to ensure access to adequate sources of service. On July 3, 2013, an IFB was issued and bids were due on August 2, 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:

- One organization voiced that they were quite interested in the solicitation, but ultimately found VRE’s requirements to be too cumbersome, specifically the requirement for the bidder to provide financial statements, information that the organization did not feel comfortable disclosing.

- Another respondent shared that they do only limited business with respect to supplying lubricants and would not be able to provide the volume required by VRE.

- A third respondent indicated that their business focuses on supplying only diesel fuel and other heating oil product; no lubricants are offered for sale.

The bid tabulation is as follows:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Bid Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Quarles Petroleum, Inc. of Warrenton, VA</td>
<td>$106,225.95 for One (1) Year</td>
</tr>
</tbody>
</table>

After review of the bid, it was determined that Quarles Petroleum, Inc. is a responsive and 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 delivery services to begin.

**Fiscal Impact:**

Funding is provided for in the FY 2014 through FY 2016 operating budgets for Locomotive Maintenance.
Virginia Railway Express
Operations Board

Resolution
9D-09-2013

Authorization to Award a Contract for Lubricating Oil Delivery Services for Locomotives

WHEREAS, VRE currently uses several different types of lubricating oils for VRE locomotives; and,

WHEREAS, the current lubricating oil delivery services contract expires in November 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 Quarles Petroleum, Inc. of Warrenton, Virginia in the amount not to exceed $318,678, plus a 10% contingency of $31,868, for a total amount not to exceed $350,546.

Approved this 20th day of September 2013

__________________________
Paul Smedberg
Chairman

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

From: Doug Allen

Date: September 20, 2013

Re: Authorization to Execute a Sole Source Contract for Positive Train Control Equipment and Installation Services

Recommendation:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to execute a sole source contract for positive train control equipment and installation services to Wabtec Corporation, the only practically available source of this equipment, in an amount not to exceed $7,023,969, plus a 5% contingency of $351,198, for a total amount not to exceed $7,375,167.

Background:

The Rail Safety Improvement Act of 2008 mandates the implementation of a Positive Train Control (PTC) system by December 31, 2015. VRE is working with CSX and NS to align VRE efforts with their PTC implementation plan(s). The estimated projected phase-in time for the territory VRE operates in for CSX is CY 2015. This is the more aggressive out of the two host railroads. The characteristics of PTC are:

- Train separation or collision avoidance
- Line speed enforcement
- Temporary speed restrictions
- Rail worker wayside safety
Because VRE does not dispatch its trains, VRE will rely on its host railroads to implement most of the PTC network. However, VRE has the responsibility to implement PTC systems on our locomotives and cab control cars. As such, VRE will install PTC equipment on 20 locomotives and 21 cab control cars.

The regulation was in effect when VRE began the procurement of new locomotives. Therefore, VRE was able to have provisions installed for PTC equipment. Since VRE’s fleet of cab cars were procured prior to 2008, the cab control cars do not have the same provisions as the new locomotives.

In August of 2011, the Operations Board authorized a task order with STV to provide the necessary engineering and design work for the enclosures and other requirements for installation of the on-board PTC equipment in the cab cars. This design work is completed.

In March of 2013, the Operations Board authorized a task order with STV to provide engineering and oversight work for PTC implementation.

**Positive Train Control Overview:**

Positive Train Control (PTC) overlaps the current signal system and dispatchers’ instructions to provide for safer railroads. Currently, in most systems under signaled territory, the dispatcher provides the signals to the trains, which the train engineer must adhere to. In some areas cab signals provide for further protection by stopping the train if a signal is not adhered to (Automatic Train Stop) or posted speeds are overrun (Automatic Train Control). VRE currently operate under cab signal territory along the CSX tracks.

PTC takes the cab signal system one step further. While it includes some of the features of a cab signal system, it also can detect other issues and stop the train as necessary. The system will be designed to detect when a switch is misaligned, preventing a train from going through a switch. PTC will also allow dispatchers to enter information about Maintenance-of-Way workers who may be present along the tracks. The system will also prevent a train from entering work areas without the proper authority.

**Positive Train Control Equipment:**

In order to comply with the mandate, VRE is required to procure and install various on-board systems for 20 VRE locomotives and 21 VRE cab control cars. The only certified system available to the industry to-date that meets the requirements for VRE and the host railroads is the I-ETMS® system provided by Wabtec Railway Electronics (a Wabtec Company). The I-ETMS® system was used as the basis for the Positive Train Control Implementation Plan (PTCIP) and Positive Train Control
Development Plan (PTCDP) for CSX, Norfolk Southern and VRE. The plans were originally submitted to the Federal Railroad Administration (FRA) in 2010 in accordance with 49CFR236.1013 and updated annually, as required by the mandate.

**Sole Source Procurement:**

Due to the unique nature of this equipment, availability of a certified system and compatibility with our host railroads, VRE will procure PTC equipment and certified installation services using the non-competitive procurement process and procedures outlined in the PRTC/VRE Public Procurement and Procedures Manual. Specifically, VRE will provide the necessary documentation that justifies this non-competitive purchase in accordance with the following Section of the Procurement and Procedures Manual:

6.9.2.1 The item is available only from one responsible source because:
   (a) It involves a unique or innovative concept or capability not available from another source. Unique or innovative concept means a new, novel, or changed concept, approach, or method that is the product of original thinking, the details of which are kept confidential or are patented or copyrighted, and is available to the recipient only from one source and has not in the past been available to the recipient from another source.

**Current Implementation Schedule:**

VRE is currently on target to have PTC equipment installed and commissioned on all VRE locomotives and cab control cars no later than the end of the first quarter of CY 2015. Validation and certification testing with the host railroads will start as soon as the host railroads have completed their validation and certification testing of the wayside communication systems within the VRE service area. VRE staff will provide an update to the Operations Board for the VRE/host railroad validation and certification testing once the timing and details have been finalized.

**Project Estimate:**

The PTC implementation project estimate is broken into five (5) elements. They consist of On-Board, Field, Office, Communication Systems and Procedures and Documents. VRE is still working to further define some of the deliverables for the above elements.
The following table summarizes the individual elements and associated estimated cost:

<table>
<thead>
<tr>
<th>Element</th>
<th>Description</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-Board</td>
<td>PTC Equipment and Installation</td>
<td>7,274,027</td>
</tr>
<tr>
<td>Field</td>
<td>Wayside Requirements</td>
<td>439,615</td>
</tr>
<tr>
<td>Office</td>
<td>Back Office System</td>
<td>898,775</td>
</tr>
<tr>
<td>Communications System</td>
<td>Yard-Back Office-Host Railroads</td>
<td>103,060</td>
</tr>
<tr>
<td>Procedures and Documents</td>
<td>Safety, Operating, Software Configuration, Training, etc.</td>
<td>105,945</td>
</tr>
</tbody>
</table>

**PTC Implementation by Elements**  
$8,822,422

**Fiscal Impact:**

The table below identifies the funding plan for VRE’s PTC implementation, which includes a combination of federal, state and local funding:

<table>
<thead>
<tr>
<th>Grant</th>
<th>Federal Amount</th>
<th>State Amount</th>
<th>Local Amount</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>VA-05-0038-121-00-12.17.00</td>
<td>140,182</td>
<td>7,710</td>
<td>27,336</td>
<td>175,228</td>
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<tr>
<td>VA-90-X352-121-00-12.17.00</td>
<td>115,200</td>
<td>Note 1</td>
<td>28,800</td>
<td>144,000</td>
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<tr>
<td>VA-90-X401-121-00-12.14.21</td>
<td>1,055,521</td>
<td>126,680</td>
<td>137,200</td>
<td>1,319,401</td>
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<tr>
<td>VA-05-0048-121-00-12.14.21</td>
<td>1,826,688</td>
<td>251,170</td>
<td>205,502</td>
<td>2,283,360</td>
</tr>
<tr>
<td>FY 2014 New Grant (#TBD)</td>
<td>3,920,000</td>
<td>539,000</td>
<td>441,000</td>
<td>4,900,000</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>7,057,591</strong></td>
<td><strong>924,560</strong></td>
<td><strong>839,838</strong></td>
<td><strong>$8,821,989</strong></td>
</tr>
</tbody>
</table>

Note 1: State grant was available until 6-30-13.
Virginia Railway Express
Operations Board

Resolution
9E-09-2013

Authorization to Execute a Sole Source Contract for Positive Train Control Equipment and Installation Services

WHEREAS, VRE is mandated by the Rail Safety Improvement Act of 2008 to install and certify a Positive Train Control system by December 31, 2015; and,

WHEREAS, VRE has worked with CSX, NS and Amtrak (host railroads) to determine the type of equipment and systems to install on VRE locomotives and cab control cars to meet the mandate and ensure system interoperability with the host railroads; and,

WHEREAS, Wabtec Corporation is the only practically available source for this equipment and will be the same supplier used by our host railroads; and,

WHEREAS, the purchase of the I-ETMS® by VRE includes installation services by certified technicians in accordance with 49CFR236.1041.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board recommends that the Commissions authorize the Chief Executive Officer to execute a sole source contract for positive train control equipment and installation services to Wabtec Corporation, the only practically available source of this equipment, in an amount not to exceed $7,023,969, plus a 5% contingency of $351,198, for a total amount not to exceed $7,375,167.

Approved this 20th day of September 2013

__________________________
Paul Smedberg
Chairman

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

From: Doug Allen

Date: September 20, 2013

Re: Authorization to Award a GEC VI Task Order for Construction Engineering and Inspection of the Spotsylvania Station Project

Recommendation:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to award a GEC VI Task Order to STV Incorporated for construction engineering and inspection services for the Spotsylvania Station project in an amount of $270,492, plus a 10% contingency of $27,049, for a total amount not to exceed $297,541.

Background:

In accordance with the terms of Spotsylvania County joining VRE, a new station serving Spotsylvania County is to be constructed. Spotsylvania County requested that VRE assume project management responsibility for the platform and headhouse portions of the new station project. Due to the coordination effort required between the track and platform construction, it was determined that VRE is best suited to manage this work. The County will continue to be responsible for the design and construction of the parking lot.

In June 2012, the Board authorized an agreement with Spotsylvania County for VRE to manage the station project. VRE began work on the design of the station in June 2012 and completed the design in March 2013.
At the May 18, 2013 Board meeting, authorization was granted to award a construction contract to build the new Spotsylvania station. Construction of the station is expected to commence in September and open for service by early next year. The task order services being authorized will provide VRE with onsite representation to monitor construction and provide documentation and reporting of daily activities. The onsite team will report directly to the VRE Project Manager and will assist in the overall coordination between the station contractor, the third track contractor and CSX forces. The services being authorized will track quantities and assist in ensuring that quality standards and contract requirements are being met.

VRE solicited four of its GEC consultants and received proposals from AECOM, STV Incorporated, Gannett Flemming and Baker. After review of the proposals, staff is recommending award be made to STV Incorporated based on the expertise and value of services being provided.

**Fiscal Impact:**

Funding for this project is being provided via a state transit grant, with match provided by Spotsylvania County. The state grant (73113-01) will provide 55% of the first $3.4M of costs. Any costs above that amount will be funded by Spotsylvania County.
Virginia Railway Express
Operations Board

Resolution
9F-09-2013

Authorization to Award a GEC VI Task Order for Construction
Engineering and Inspection of the Spotsylvania Station Project

WHEREAS, in accordance with the terms of Spotsylvania County joining VRE, a new
station serving Spotsylvania County is to be constructed; and,

WHEREAS, the plans were finalized and issued for bidding on April 18, 2013; and,

WHEREAS, construction of the Spotsylvania Station is expected to commence in
September and be open for service by early next year; and,

WHEREAS, the services being authorized will provide onsite personnel to monitor
construction and provide documentation and reporting of daily activities, thus
ensuring that quality and contract requirements are being met.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does
hereby authorize the Chief Executive Officer to award a GEC VI Task Order to STV
Incorporated for construction engineering and inspection services for the
Spotsylvania Station project in an amount of $270,492, plus a 10% contingency of
$27,049, for a total amount not to exceed $297,541.

Approved this 20th day of September 2013

____________________
Paul Smedberg
Chairman

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

From: Doug Allen

Date: September 20, 2013

Re: Authorization to Award a GEC VI Task Order for Construction Engineering and Inspection of the Crossroads to Hamilton Third Track Project

Recommendation:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to award a GEC VI Task Order to STV Incorporated for construction engineering and inspection services for the Crossroads to Hamilton Third Track project in an amount of $848,218, plus a 10% contingency of $84,822, for a total amount not to exceed $933,040.

Background:

The Crossroads to Hamilton third track is the last of the original MOU projects. In addition, this portion of track is required by CSX prior to the initiation of train service to the new Spotsylvania VRE station. In accordance with the terms of Spotsylvania County joining VRE, the construction of this railroad infrastructure is a VRE responsibility while construction of the station and parking facility are a responsibility of the County.

VRE began design on the third track project in January of 2011. At the March 15 meeting, the Board authorized issuance of an IFB for the construction of the Crossroads to Hamilton Third Track project. The plans were finalized and issued for bidding on May 20, 2013.
Construction of the third track is expected to commence in September and be completed by end of summer 2014. The task order services being authorized will provide VRE with onsite representation to monitor construction and provide documentation and reporting of daily activities. The onsite team will report directly to the VRE Project Manager and will assist in the overall coordination between the station contractor, the third track contractor and CSX forces. The services being authorized will track pay item quantities and assist in ensuring that quality standards and contract requirements are being met.

VRE solicited four of its GEC consultants and received proposals from AECOM, STV Incorporated, Gannett Flemming and Baker. After review of the proposals, staff is recommending award be made to STV Incorporated, based on the expertise and value of services being provided.

**Fiscal Impact:**

Funding for this project is included in VRE’s Capital Improvement Program as part of the Spotsylvania Station Third Track (Crossroads to Hamilton Third Track) project.
Virginia Railway Express
Operations Board

Resolution
9G-09-2013

Authorization to Award a GEC VI Task Order for Construction Engineering and Inspection of the Crossroads to Hamilton Third Rail Track Project

WHEREAS, the Crossroads to Hamilton third track project is required to allow the operations of the new Spotsylvania VRE station; and,

WHEREAS, the plans were finalized and issued for bidding on May 20, 2013; and,

WHEREAS, construction of the third track is expected to commence in September and be completed by end of summer 2014; and,

WHEREAS, the services being authorized will provide onsite personnel to monitor construction and provide documentation of daily activities, thus ensuring that quality and contract requirements are being met.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to award a GEC VI Task Order to STV Incorporated for construction engineering and inspection services for the Crossroads to Hamilton Third Track project in an amount of $848,218, plus a 10% contingency of $84,822, for a total amount not to exceed $933,040.

Approved this 20th day of September 2013

______________________________
Paul Smedberg
Chairman

______________________________
John Cook
Secretary
Agenda Item 9-H
Action Item

To: Chairman Smedberg and the VRE Operations Board
From: Doug Allen
Date: September 20, 2013
Re: Authorization to Execute a Force Account Agreement with CSXT for Construction of the Crossroads to Hamilton Third Track Project

Recommendation:
The VRE Operations Board is being asked to authorize the Chief Executive Officer to execute a force account agreement with CSX Transportation for construction of the Crossroads to Hamilton Third Track project in the amount of (cost to be provided at the Operations Board meeting via bluesheet.)

Background:
The Crossroads to Hamilton third track is the last of the original MOU projects. This portion of track is required by CSX prior to the initiation of train service to the new Spotsylvania VRE station. In accordance with the terms of Spotsylvania County joining VRE, the construction of this railroad infrastructure is a VRE responsibility, while construction of the station and parking facility are a responsibility of the County.

VRE began design on the third track project in January of 2011. The plans were finalized and issued for bidding on May 20, 2013.
There are significant portions of the project that are required to be performed by CSX. These tasks include signal design, signal construction, track construction effecting active mainline tracks and construction flagging protection services. In June 2012, the Board authorized a design force account agreement with CSX to provide design review and perform signal design in coordination with the civil design being performed by VRE. Currently the civil plans have been finalized and the CSX signal design is well underway. A force account agreement has been drafted and is currently being finalized by VRE and CSX legal counsel.

Authorization for the CSX force account agreement is required in order to begin construction on the third track project as well as the new Spotsylvania station project.

**Fiscal Impact:**

Funding for this project is included in VRE’s Capital Improvement Program as part of the Spotsylvania Station Third Track (Crossroads to Hamilton Third Track) project. Total funding for the project of $32.5M is provided from the following sources:

- VRE federal formula funds - $7,920,000 (VA-05-0048, VA-90-X380, VA-90-X401 and VA-05-0048)
- Federal funds allocated by DRPT - $4,500,000 (VA-95-X046)
- Rail Enhancement Funds - $13,856,292 (76513-11)
- Local match – VRE - $3,723,708
- Match funds provided by CSX - $2,500,000
Virginia Railway Express
Operations Board

Resolution
9H-09-2013

Authorization to Execute a Force Account Agreement with CSXT for Construction of the Crossroads to Hamilton Third Track Project

WHEREAS, the Crossroads to Hamilton third track project is required to allow the operation of the new Spotsylvania VRE station; and,

WHEREAS, there are significant portions of the project that are required to be performed by CSX; and,

WHEREAS, authorization for the CSX force account agreement is required in order to begin construction on the third track project as well as the new Spotsylvania station project.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to execute a force account agreement with CSX Transportation for the construction of the Crossroads to Hamilton Third Track project in an amount of (cost to be provided at the Operations Board meeting via bluesheet.)

Approved this 20th day of September 2013

__________________________________________
Paul Smedberg
Chairman

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

From: Doug Allen

Date: September 20, 2013

Re: Authorization to Award a Contract for a Mobile Ticketing System

________________________________________________________________

Recommendation:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to execute a contract with Globe Sherpa of Portland, Oregon for a Mobile Ticketing System in the amount not to exceed $3,191,479, plus a 10% contingency of $319,148, for a total amount not to exceed $3,510,627.

Background:

On August 17, 2012, the VRE Operations Board approved a request to issue a Request for Proposals (RFP) for a Mobile Ticketing System. A mailing list of more than 20 prospective Offerors, Consultants, and trade organizations was established for the solicitation to ensure access to adequate sources of services. On March 15, 2013, an RFP was issued and proposals were due on April 26, 2013. Eight (8) responses were received.

The Technical Evaluation Team met to review and discuss the proposals and conducted interviews with the top four (4) firms. It was determined that the proposal from Globe Sherpa was technically compliant and unanimously selected to be best value for the project.
The contract will be for three (3) years and two (2) option years, with the VRE CEO exercising the option years at his discretion. This authorization allows work to begin.

The Mobile Ticketing System is compatible with the specifications for the NEPP payment system WMATA is advancing.

**Fiscal Impact:**

Funding is provided for in the FY 2014 through FY 2019 operating budgets for the Operations and Communications Department for operating expenses and through Federal Grant with State and Local match for the capital expenses.
Virginia Railway Express
Operations Board

Resolution
91-09-2013

Authorization to Award a Contract for a Mobile Ticketing System

WHEREAS, VRE has a need for supplementing the current Fare Collections System with an alternative that will extend the life of the legacy system and ultimately allow regional interoperability; and,

WHEREAS, Mobile Ticketing has been determined to offer the necessary functionality; and,

WHEREAS, VRE issued an RFP and received eight (8) technically compliant proposals; and,

WHEREAS, VRE’s selection committee unanimously selected Globe Sherpa.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to execute a contract with Globe Sherpa for design, development, and operation of a Mobile Ticketing System in the amount of $3,191,479, plus a 10% contingency of $319,148, for a total amount not to exceed $3,510,627.

Approved this 20th day of September 2013

__________________________________________
Paul Smedberg
Chairman

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

From: Doug Allen

Date: September 20, 2013

Re: Authorization to Award a GEC VI Task Order to Michael Baker Jr., Inc. for Consultant Support for the Design and Development of a Mobile Ticketing System

________________________________________________________________

Recommendation:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to award a GEC VI Task Order to Michael Baker Jr., Inc. to provide consulting support in the design and development of a Mobile Ticketing System in the amount of $186,482, plus a 10% contingency of $18,648, for a total amount not to exceed $205,130.

Background:

VRE GEC consultant Michael Baker Jr., Inc., and its subconsultant LTK Engineering Services, have been working with VRE staff through an existing GEC task order to provide technical assistance in developing the Request for Proposals (RFP) and evaluating responses to the RFP for Mobile Ticketing. This work has been valuable in assisting VRE staff to define the scope of the Mobile Ticketing System project, analyze proposals and select the recommended vendor.
With the award of a contract for the Mobile Ticketing System vendor, VRE staff will require additional technical assistance to manage the system design and development process. Michael Baker Jr., Inc. GEC staff has extensive knowledge of the VRE Mobile Ticketing requirements as well as the scope of the Mobile Ticketing System vendor contract, making them a logical and cost-effective choice to continue to advise VRE as the design and implementation of the Mobile Ticketing System proceeds. They also have extensive experience with transit industry fare collection and payment systems, including a current contract to provide long-term fare collection consultant services to the Washington Metropolitan Area Transit Authority (WMATA) in support of the New Electronic Payments Program (NEPP) procurement.

**Fiscal Impact:**

Funding for this task order is available through Federal Congestion Mitigation and Air Quality Improvement Program (CMAQ) Grants x269 and x232. The local match is provided by the Commonwealth of Virginia.
Virginia Railway Express  
Operations Board  

Resolution  
9J-09-2013  

Authorization to Award a GEC VI Task Order to  
Michael Baker Jr., Inc. for Consultant Support for the Design  
and Development of a Mobile Ticketing System

WHEREAS, VRE staff has determined that a Mobile Ticketing System is the best alternative for supplementing the legacy Fare Collections System; and,

WHEREAS, Michael Baker Jr., Inc. has been working with VRE staff through an existing GEC task order to provide technical assistance in developing the Mobile Ticketing RFP and evaluating proposal responses; and,

WHEREAS, VRE staff do not possess the depth of technical expertise in fare payment and mobile ticketing technology necessary to oversee all aspects of the Mobile Ticketing vendor contract; and,

WHEREAS, VRE staff has determined the most cost-effective way to obtain the needed technical expertise is for Michael Baker Jr., Inc. to continue to provide consultant support services.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to award a GEC VI Task Order to Michael Baker Jr., Inc. to provide consulting support in the design and development of a Mobile Ticketing System in the amount of $186,482, plus a 10% contingency of $18,648, for a total amount of $205,130.

Approved this 20\textsuperscript{th} day of September 2013

__________________________  
Paul Smedberg  
Chairman

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

From: Doug Allen

Date: September 20, 2013

Re: Authorization to Extend a License Agreement for the Lease of Tower Space for the VHF Radio Communications System


Recommendation:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to extend a license agreement with American Towers, Inc. for the lease of space on their cell tower located in Fairfax Station, Virginia in the amount of $172,788, payable over the term of five years.

Background:

On March 21, 2008, the Operations Board approved a five year license agreement with American Towers, Inc. in the amount of $138,133 to utilize space on their Fairfax Station tower as a means of enabling communication through the transmission and receipt of radio frequencies for VRE’s VHF two-radio system. The initial five year term of the agreement, which commenced on February 1, 2009 following completion of design of the VHF two-way radio system, will expire on January 31, 2014.

The radio system requires the use of three tower locations at VRE’s Headquarters in Alexandria, Fairfax Station and the Leeland Road Station and provides VRE with an
assigned railroad radio frequency on which information can be exchanged between VRE trains and the VRE offices in Alexandria. Additionally, the system enables VRE to monitor two Norfolk Southern and two CSX radio frequencies which are used to dispatch and control freight, VRE and Amtrak trains.

VRE staff is requesting permission to extend the license agreement for five years at a cost not to exceed $172,788 during that period. This represents a 3 percent rate of escalation per year as outlined below:

**Current License Agreement**

<table>
<thead>
<tr>
<th>Year</th>
<th>Start Date – End Date</th>
<th>Monthly Cost</th>
<th>Yearly Cost</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year One</td>
<td>February 1, 2009 – January 31, 2010</td>
<td>$2,260.00</td>
<td>$27,120.00</td>
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<tr>
<td>Year Two</td>
<td>February 1, 2010 – January 31, 2011</td>
<td>$2,327.80</td>
<td>$27,933.60</td>
<td>3% Increase</td>
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<tr>
<td>Year Three</td>
<td>February 1, 2011 – January 31, 2012</td>
<td>$2,397.63</td>
<td>$28,771.56</td>
<td>3% increase</td>
</tr>
<tr>
<td>Year Four</td>
<td>February 1, 2012 – January 31, 2013</td>
<td>$2,469.56</td>
<td>$29,634.72</td>
<td>3% increase</td>
</tr>
<tr>
<td>Year Five</td>
<td>February 1, 2013 – January 31, 2014</td>
<td>$2,543.65</td>
<td>$30,523.80</td>
<td>3% increase</td>
</tr>
</tbody>
</table>

**Proposed Extension Of License Agreement**

<table>
<thead>
<tr>
<th>Year</th>
<th>Start Date – End Date</th>
<th>Monthly Cost</th>
<th>Yearly Cost</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year Six</td>
<td>February 1, 2014 – January 31, 2015</td>
<td>$2,619.96</td>
<td>$31,439.52</td>
<td>3% Increase</td>
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<tr>
<td>Year Seven</td>
<td>February 1, 2015 – January 31, 2016</td>
<td>$2,698.56</td>
<td>$32,382.72</td>
<td>3% Increase</td>
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<tr>
<td>Year Eight</td>
<td>February 1, 2016 – January 31, 2017</td>
<td>$2,779.51</td>
<td>$33,354.12</td>
<td>3% increase</td>
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<tr>
<td>Year Nine</td>
<td>February 1, 2017 – January 31, 2018</td>
<td>$2,862.90</td>
<td>$34,354.80</td>
<td>3% increase</td>
</tr>
<tr>
<td>Year Ten</td>
<td>February 1, 2018 – January 31, 2019</td>
<td>$2,948.79</td>
<td>$35,385.48</td>
<td>3% increase</td>
</tr>
</tbody>
</table>

**Fiscal Impact:**

Funding will be provided through the FY 2014 - FY 2019 operating budgets.
Virginia Railway Express  
Operations Board  

Resolution  
9K-09-2013  

Authorization to Extend a License Agreement for the Lease of Tower Space for the VHF Radio Communications System  

WHEREAS, in February 2009, a five year license agreement with American Towers, Inc. commenced to utilize space on their cell tower in Fairfax Station, Virginia; and,  

WHEREAS, the tower is used as a means of enabling communication through the transmission and receipt of radio frequencies for VRE’s VHF two-way radio system; and,  

WHEREAS, VRE staff is requesting permission to extend the license agreement for five additional years through January 31, 2019.  

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to extend the license agreement with American Towers, Inc. The extension of the agreement would be in the amount of $172,788, payable over the term of five years.  

Approved this 20th day of September 2013  

________________________________________  
Paul Smedberg  
Chairman  

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

From: Doug Allen

Date: September 20, 2013

Re: Authorization to Execute a GEC VI Task Order for National Transit Database (NTD) Data Collection Services

________________________________________________________________

Recommendation:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to award a GEC VI Task Order to AECOM to conduct National Transit Database (NTD) ridership data collection in an amount of $125,178, plus a 10% contingency of $12,518, for a total amount of $137,696.

Background:

As a recipient of Federal Urbanized Area Formula (§5307) grant funds, VRE is required to report ridership, passenger miles and other performance data to the NTD on an annual basis. VRE conducts annual, random on-board ridership samples as well as triennial boarding/alighting surveys. The survey data is used to determine average trip lengths and passenger miles for NTD reporting purposes. VRE’s GEC consultant currently provides data collection and analysis services to support NTD reporting requirements.
NVTC provides similar data collection services to six northern Virginia transit systems (ART, DASH, Alexandria Trolley, Fairfax Connector, CUE and Loudoun County Transit) via a consultant contract. Consultant proposals for the collection and analysis of NTD ridership data, including VRE data, were requested as part of the procurement for the recently awarded NVTC contract for NTD Data Collection consultant services.

VRE staff requested NVTC include VRE-related services in their procurement with the expectation of realizing cost savings over the existing GEC consultant contract. However, the cost proposals received by NVTC for the VRE data collection effort exceeded the estimated budget developed by VRE staff. VRE staff then requested a proposal from AECOM, the VRE GEC consultant who has been performing this work. AECOM’s proposal was within the budget estimate.

**Fiscal Impact:**

Funding for this task order is included in the FY 2014 operating budget.
Virginia Railway Express
Operations Board

Resolution
9L-09-2013

Authorization to Execute a GEC VI Task Order for National Transit Database (NTD) Data Collection Services

WHEREAS, as a recipient of Federal Urbanized Area Formula (§5307) grant funds, VRE is required to report ridership, passenger miles and other performance data to the National Transit Database (NTD) on an annual basis; and,

WHEREAS, AECOM, one of VRE’s GEC consultants, currently collects the required data for VRE; and,

WHEREAS, VRE staff has determined the most cost-effective way to obtain the required NTD data is for AECOM to continue to perform the data collection services.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to award a GEC VI Task Order to AECOM to conduct NTD ridership data collection in an amount of $125,178, plus a 10% contingency of $12,518, for a total amount of $137,696.

Approved this 20th day of September 2013

__________________
Paul Smedberg
Chairman

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

From: Doug Allen

Date: September 20, 2013

Re: Authorization to Amend the Marketing, Advertising and Public Relations Services Contract

Recommendation:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to execute a contract amendment with Sparky’s Garage of Leesburg, Virginia in the amount of $150,000, for the marketing, advertising and public affairs services contract, for a total base period contract value not to exceed $500,000.

Background:

In May of 2011, the Operations Board authorized VRE to enter into a contract with Sparky’s Garage of Leesburg, Virginia for marketing, advertising and public relations services, following a competitive procurement. The authorization was for a three year base contract plus two, two-year renewable options. The initial authorization was for $350,000 for the first year of services. Because of the variable nature of these services, staff was to return to the Operations Board for authorization to approve additional funding for the second year of the base contract. The contract language allowed for the three year term.
During a review of contract payments, it was discovered that work under the contract had exceeded the original authorization level. As a result, an additional authorization is sought in the amount of $150,000 for a total contract value of $500,000 through the end of the original three year base period on June 30, 2014.

Because VRE's need for marketing services has evolved over the last several years, VRE staff currently plans to request approval for a revised scope of services, rather than exercise the first option period under the current agreement.

**Fiscal Impact:**

Funding is provided for in the FY 2014 operating budget.
Virginia Railway Express
Operations Board

Resolution
9M-09-2013

Authorization to Amend the Marketing, Advertising and Public Relations Services Contract

WHEREAS, in May of 2011, the Operations Board approved a marketing, advertising and public relations contract with Sparky's Garage for a three year term beginning July 1, 2011 with costs of up to $350,000 for the first year of this term; and,

WHEREAS, an additional authorization is needed in the amount of $150,000 for a total contract value of $500,000 through the end of the original three year base period.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board is being asked to authorize the Chief Executive Officer to execute a contract amendment with Sparky's Garage of Leesburg, Virginia in the amount of $150,000, for a total contract value not to exceed $500,000 for marketing, advertising and public relations services.

Approved this 20th day of September 2013

__________________________________________
Paul Smedberg
Chairman

__________________________________________
John Cook
Treasurer
TO: Chairman Smedberg and the VRE Operations Board
FROM: Doug Allen
DATE: September 20, 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.
Agenda Item 11-B
Information Item

To: Chairman Smedberg and the VRE Operations Board
From: Doug Allen
Date: September 20, 2013
Re: Caroline County’s Interest in PRTC/VRE Membership

Information about Caroline County’s interest in PRTC/VRE membership will be presented for the VRE Operations Board to consider and discuss. A copy of the PowerPoint presentation is attached.
Caroline County
PRTC / VRE Membership

VRE Operations Board
September 20, 2013
Background

• June 20, 2013 letter expresses interest
• Recognizes share of PRTC and VRE expenses
• Understands rail service is long-term proposition at best
• Interest is in 2.1% motor fuels tax
Questions

• Allowed into PRTC?
• Allowed into VRE?
Rail Prospects Challenging

- Spotsylvania Station implications
- Limits for commuter rail
  - Distance
  - Current core capacity issues (workshop)
  - CSX
- Intercity rail limitations
Where Riders Live
Financial Implications  
(at FY 2014 levels)

- PRTC administrative expense  
  - Same percentage as Caroline’s share of total motor fuels tax  
  - Estimate is $35,000

- VRE local subsidy  
  - Based on ridership  
  - Estimate is $110,000

- PRTC estimate of Caroline County gas tax revenue is $2,200,000
Advantages

• Advance Planning
• Broadens support
• Payment for VRE customers from Caroline County
  – would be around $110,000/year today
Concerns

• Governance
  – Quorums
  – Master Agreement changes
  – Budget and bond issuance unanimity
• Manage expectations
• Primary interest in gas tax
• Different membership type?
Benefiting Member Concept

- PRTC/VRE financial contributions as if Participating Member
- No voting privileges on PRTC or VRE Operations Board
-Benefiting Member would have ex officio status
- No commitment to rail extension, subject to future determination
Discussion

- Worth pursuing membership further?
- If so, under what conditions?