To: Chairman Cook and the VRE Operations Board

From: Doug Allen

Date: March 20, 2015

Re: Authorization to Issue a Purchase Order For Locomotive Wheels

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to issue a Purchase Order to ORX of Tipton, PA in an amount not to exceed $64,890.00.

Background:

As VRE locomotives age, there is a need to replace individual wheels. VRE currently has contracts in place to provide wheel truing and wheel replacement services. These contracts give VRE the flexibility to purchase individual wheels to reduce cost and improve lead times. As such, VRE staff has determined the need to replace locomotive wheels will increase within the next sixteen (16) to twenty (20) months such that our wheel service provider will not be able to supply wheels when needed.

In accordance with the PRTC/VRE Procurement Policy, VRE issued a Request for Quotes (RFQ) to selected suppliers in the business of providing locomotive wheels and through Virginia’s electronic procurement system (eVA) and received the following two (2) responses.
The quote tabulation is as follows:

<table>
<thead>
<tr>
<th>Vendors</th>
<th>Quote Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ORX</td>
<td>$64,890.00</td>
</tr>
<tr>
<td>2. Wabtec Global Services</td>
<td>$101,322.80</td>
</tr>
</tbody>
</table>

After review of the quotes, it was determined that ORX returned the lowest quote and is a responsive-responsible vendor. In accordance with the PRTC/VRE Procurement Policy, a Performance Bond is not required under the RFQ process for this type of procurement.

The Purchase Order will be for the purchase of forty (40) wide flange, E40” class B wheels with a 1:20 taper. The wheels will be delivered to VRE's Contractor for installation onto VRE provided axle assemblies for eventual installation into VRE locomotives.

**Fiscal Impact:**

Funding is provided for in the FY 2015 operating budget for Equipment Operations under the locomotive repair and maintenance line item. The total budgeted amount for this item is $830,000.
Virginia Railway Express
Operations Board

Resolution
8G-03-2015

Authorization to Issue a Purchase Order for Locomotive Wheels

WHEREAS, VRE locomotives are aging and in need of wheel replacement; and,

WHEREAS, contracts are currently in place for wheel truing and wheel replacement; and,

WHEREAS, staff has determined the need to replace forty (40) locomotive wheels within the next sixteen (16) to twenty (20) months; and,

WHEREAS, a Request for Quotes (RFQ) was issued in accordance with the PRTC/VRE Procurement Policy; and,

WHEREAS, two (2) responses were received; and,

WHEREAS, VRE has determined ORX returned the lowest quote and is a responsive-responsible vendor;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to issue a Purchase Order to ORX of Tipton, PA in an amount not to exceed $64,890.00.

Approved this 20th day of March 2015

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John C. Cook
Chairman

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Paul Smedberg
Secretary