Agenda Item 10-C
Action Item

To: Chairman Cook and the VRE Operations Board
From: Doug Allen
Date: May 15, 2015
Re: Authorization to Issue an MEC VI Task Order for Engineering Oversight for New Passenger Railcars

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to execute a Task Order with STV Incorporated under the MEC VI Contract for engineering oversight for the purchase of five new passenger railcars in the amount of $781,250, plus a 5% contingency of $39,062, for a total amount not to exceed $820,312.

Background:

In May of 2015, VRE entered into a Mechanical Engineering Consulting Contract (MEC VI) with STV Incorporated. Through this Contract, STV provides mechanical engineering consulting services to VRE for various projects including oversight for new rolling stock procurements.

On September 19, 2014, the VRE Operations Board approved a Contract Amendment with Sumitomo Corporation of the Americas (SCOA) to place an option order for five (5) additional railcars. Funding for this Contract includes a mix of federal, state and local money which requires VRE to have oversight functions including:

1) Buy America Pre-Award and Post Award audits
2) Technical Specification Compliance
3) First Article Inspections  
4) System Safety Documentation (FMECA, FMEA, Safety Certifications, etc.)  
5) Design Reviews  
6) Material Test Reports (smoke, flame, toxicity, etc.)  
7) On-site review of sub-system assembly  
8) On-site review of final assembly  
9) VRE acceptance testing  
10) Project status meetings  
11) Warranty Administration

Similar to previous railcar purchases, VRE requires support from engineering consultants for this work. This Task Order will include design reviews, first article inspections, in-plant inspections, warranty administration and acceptance testing of each car prior to placing into VRE service. The manufacturing and subsequent oversight work for this project will take place at Nippon Sharyo’s manufacturing facilities in Toyokawa, Japan and Rochelle, IL. The cost of this Task Order is based on a fifty (50) month Contract period, which includes the design, manufacturing process and warranty period.

**Fiscal Impact:**

The tables below identify the project costs and funding sources for the five (5) new railcars. The first table includes both the cost of the purchase of the railcars and the required oversight work.

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost for five (5) Option Cars</td>
<td>10,545,200</td>
</tr>
<tr>
<td>Contingency – SCOA</td>
<td>527,260</td>
</tr>
<tr>
<td>Engineering Oversight (STV)</td>
<td>781,250</td>
</tr>
<tr>
<td>Contingency – Oversight (STV)</td>
<td>39,062</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$11,892,772</strong></td>
</tr>
</tbody>
</table>

Project Costs
## Funding Sources – Based on Project Costs

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Formula Funds – 5307</td>
<td>3,280,000</td>
</tr>
<tr>
<td>State Mass Transit Funds</td>
<td>8,087,085</td>
</tr>
<tr>
<td>VRE</td>
<td>525,687</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$11,892,772</strong></td>
</tr>
</tbody>
</table>
Virginia Railway Express
Operations Board

Resolution
10C-05-2015

Authorization to Issue an MEC VI Task Order for Engineering Oversight for New Passenger Railcars

WHEREAS, VRE has a contract with STV Incorporated for mechanical and engineering consulting services (MEC VI); and,

WHEREAS, VRE has amended the contract with Sumitomo Corporation of the Americas for the purchase of five new railcars; and,

WHEREAS, funding for the purchase of the new railcars includes a mix of federal, state and local funds which requires VRE to provide various oversight functions; and,

WHEREAS, STV Incorporated will provide these oversight functions as required to ensure total project and funding compliance;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to execute a Task Order with STV Incorporated under the MEC VI Contract for engineering oversight for the purchase of five new passenger railcars in the amount of $781,250, plus a 5% contingency of $39,062, for a total amount not to exceed $820,312.

Approved this 15th day of May 2015

________________________________________
John C. Cook
Chairman

________________________________________
Paul Smedberg
Secretary