To: Chairman Cook and the VRE Operations Board
From: Doug Allen
Date: November 20, 2015
Re: Authorization to Issue a Request for Proposals for PTC System Testing Coordination and Oversight

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to issue a Request for Proposals (RFP) for Positive Train Control (PTC) System Testing and Oversight for a base year and two option years.

Background:

As determined in accordance with VRE Public Procurement Policies and Procedures, an Invitation for Bids (IFB) is neither practicable nor fiscally advantageous to VRE and an RFP is the preferred method of procurement for this solicitation since there are different approaches to the desired service. For this solicitation, specific knowledge and experience with advanced train control technology, railroad operations, railroad training and strict document control is required. The ability to coordinate testing activities with multiple railroads and contract operators to ensure safe and efficient train operations is a critical component of this solicitation therefore a robust evaluation of technical merit is required.

Upon completion of evaluation of proposals, negotiations are conducted with the two highest ranked firms deemed to be fully qualified and best suited among those submitting Proposals, on the basis of the factors specified in the evaluation criteria. Price will be considered in context of technical performance for this service to achieve a best value.
determination. After receipt of the best and final offer from the top-ranked firm, a cost analysis is performed to compare the proposed cost with the independent cost estimate to determine that the proposed cost is fair and reasonable.

The Rail Safety Improvement Act of 2008 mandates VRE implement a Positive Train Control (PTC) system. The scope of work for the RFP includes review of PTC documents currently developed for safety, training and on-board systems. Once reviewed, proposed enhancements to all current plans will be incorporated as necessary. The Contractor will work with VRE staff, contract operator and host railroads to coordinate and document systems testing to include field qualification testing, revenue testing and FRA certification. Once VRE achieves FRA certification, the Contractor will review and monitor training for a minimum of one year to ensure sustained compliance with Federal Rules and VRE policies. This will be a task order based contract.

Upon receipt of the proposals, staff will return to the Board for authorization to award the contract.

**Fiscal Impact:**

There is no fiscal impact for issuing this Request for Proposals. Funding for the project is provided through federal formula funds (5307), state mass transit funds and VRE subsidy match.
Virginia Railway Express
Operations Board

Resolution
8A-11-2015

Authorization to Issue a Request for Proposals for
PTC System Testing Coordination and Oversight

WHEREAS, the Rail Safety Improvement Act of 2008 mandates VRE implement a Positive
Train Control (PTC) system; and,

WHEREAS, in order to implement a PTC system, VRE is required to coordinate and
document testing activities with the host railroads to obtain PTC certification; and,

WHEREAS, once PTC certification is achieved, VRE needs to monitor and document
compliance; and,

WHEREAS, this solicitation is necessary to obtain the required test coordination,
documentation and oversight services;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby
acknowledge the determination made by the VRE Contract Administrator in accordance
with the VRE Public Procurement Policies and Procedures that competitive bidding is not
practicable, nor fiscally advantageous to VRE, and that competitive negotiation is the
appropriate method to procure these services;

BE IT FURTHER RESOLVED THAT, the VRE Operations Board does hereby authorize the
Chief Executive Officer to issue a Request for Proposals for Positive Train Control (PTC)
System Testing and Oversight for a base year and two option years.

Approved this 20th day of November 2015

______________________________
John C. Cook
Chairman

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Paul Smedberg
Secretary
To: Chairman Cook and the VRE Operations Board  
From: Doug Allen  
Date: November 20, 2015  
Re: Authorization to Issue an Invitation for Bids for the Purchase of Station Elevators

**Recommendation:**

The VRE Operations Board is asked to authorize the Chief Executive Officer to issue an Invitation for Bids (IFB) for the purchase of up to 28 elevators at VRE stations over the next five years.

**Background:**

Invitation for Bids is the preferred and normal method of procurement suitable when seeking bids to provide goods and services at a firm-fixed price. This method is utilized when there is a complete, adequate, precise specification or purchase description. Award is made on the basis of price alone without discussions or negotiations with the Bidders.

The adopted VRE System Plan 2040 calls for improvements to VRE passenger stations to add operational flexibility and capacity. Second platforms, which will have a grade-separated crossing to, from, and between platforms, and new parking garages will increase the number of elevators for which VRE is responsible. VRE is currently responsible for the operation and maintenance of seven elevators at stations and parking garages. The current draft VRE six-year Capital Improvement Plan suggests that VRE will place orders for about 26 new elevators in the next five years.
Reliable elevator operations are a vital component of VRE’s customer service mission at many stations. There are two ways to achieve reliability: install twice as many elevators as needed so that one elevator will always be available, or address elevator maintenance through a proactive, lifecycle-based program that reduces in-service failures to virtually zero. The former approach increases capital and operating expense and results in a footprint for elevator towers that exceeds the area available at most stations. Therefore, the latter approach is recommended for VRE.

In 2014, VRE commissioned Michael Baker Jr., Inc., to review VRE elevator needs and identify a combination of procurement specifications and augmented maintenance standards to cost-effectively achieve the level of reliability required by VRE. One key element identified to achieving that level of reliability was establishing a consistent pool of elevator equipment in order to permit standardization and predictability of maintenance practices with the goal of eliminating in-service failures. The alternative, continuing the present practice of acquiring elevators on a project-by-project basis, would result in elevators from a number of different manufactures, which would add a level of complexity to maintenance that would prohibit establishment of standardized and predictable practices, and thereby reducing reliability.

For that reason VRE intends to award one Contract for a base order of five elevators with an option to purchase up to a total of 28 elevators. The scope of work for the IFB includes elevators, spare parts, and maintenance materials. Bidders will be given one-year’s notice to deliver completed elevators along with associated parts, materials, and equipment.

Upon receipt of the bids, staff will return to the Board for authorization to award the contract.

**Fiscal Impact:**

There is no fiscal impact for issuing this Invitation for Bids. Funding for the purchase of elevators will be drawn from the budget of specific station projects included in VRE’s Capital Improvement Program as they enter the construction phase of project development.
Virginia Railway Express
Operations Board

Resolution
8B-11-2015

Authorization to Issue an Invitation for Bids
for the Purchase of Station Elevators

WHEREAS, VRE seeks to provide its customers with the safest and most reliable level of service; and,

WHEREAS, elevator reliability is a vital component to maintaining reliable access to, from, and between station platforms that will increase in importance with the implementation of the VRE System Plan 2040, adopted by the VRE Operations Board in January 2014; and,

WHEREAS, VRE anticipates placing orders for 26 or more elevators over the next five years in accordance with the draft VRE Capital Improvement Plan; and,

WHEREAS, consistency in design and manufacture, in conjunction with a proactive program of lifecycle-based maintenance, has been identified as a key factor influencing the achievement of high elevator reliability and reduction of in-service failures;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to issue an Invitation for Bids for the purchase of up to 28 elevators at VRE stations over the next five years.

Approved this 20th day of November 2015

____________________________________
John C. Cook
Chairman

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Paul Smedberg
Secretary
To: Chairman Cook and the VRE Operations Board

From: Doug Allen

Date: November 20, 2015

Re: Authorization to Forward the FY 2015 Audited Financial Statements and Auditor’s Report

Recommendation:

The VRE Operations Board is asked to accept the FY 2015 Comprehensive Annual Financial Report (CAFR) and associated information from the auditors and to authorize the Chief Executive Officer to forward this information to the Commissions for their consideration.

Background:

The audit of VRE’s FY 2015 financial statements has been completed and the auditors have issued an unqualified opinion. Their opinion letter states that VRE’s statements, in all material respects, fairly and accurately present the financial position of the organization. This opinion is the best possible outcome of a financial audit.

The FY 2015 audit was conducted by the firm of PBMares, LLP. PBMares has served as the auditors for VRE, PRTC and NVTC for the last several years. A new three year contract for the audits of the VRE, NVTC and PRTC financial statements was approved in April 2015, with four years of optional renewals.

The audited financial statements and associated reports were forwarded to all members of the Operations Board prior to the November 20th meeting. The auditors met with the VRE
Audit Committee on November 20, 2015, prior to the Operations Board meeting to review the statements and their opinion.

**Fiscal Impact:**

There is no financial impact to the VRE Operating Budget from the presentation of these audited financial statements.
Virginia Railway Express
Operations Board

Resolution
9A-11-2015

Authorization to Forward the FY 2015 Audited
Financial Statements and Auditor’s Report

WHEREAS, the VRE Operations Board has contracted with the firm of PBMares, LLC for the audit of its financial statements; and,

WHEREAS, the audit of VRE’s FY 2015 financial statements has been completed; and,

WHEREAS, the auditors have issued an unqualified opinion that VRE’s statements, in all material respects, fairly and accurately present the financial position of the commuter rail operation;

NOW, THEREFORE BE IT RESOLVED, that the VRE Operations Board accepts the FY 2015 Comprehensive Annual Financial Report (CAFR) and associated information from the auditors and authorizes the Chief Executive Officer to forward this information to the Commissions for their consideration.

Approved this 20th day of November 2015

__________________________________
John C. Cook
Chairman

__________________________________
Paul Smedberg
Secretary
To: Chairman Cook and the VRE Operations Board  
From: Doug Allen  
Date: November 20, 2015  
Re: Authorization to Execute a Force Account Agreement for Engineering Services for Slaters Lane/Alexandria Station Track 1 Access  

Recommendation: 

The VRE Operations Board is asked to authorize the Chief Executive Officer to execute a force account agreement with CSX Transportation for Preliminary Engineering for the Slaters Lane/Alexandria Station Track 1 Access Project in an amount of $425,000, plus a 10% contingency of $42,500, for a total amount not to exceed $467,500.

Background: 

VRE has initiated a series of improvement projects at Alexandria Station to eliminate an at-grade pedestrian crossing of the tracks, improve access under the Americans with Disability Act of 1990, provide a direct connection to Metro, and permit passenger trains on Track 1 to stop safely at the station. The latter improvement will add operational flexibility and reliability for passenger and freight trains passing through the station. It is also a requirement under the Second Amendment to the Corridor Improvement Project Memorandum of Understanding, executed between CSX Transportation (CSXT), the Virginia Department of Rail and Public Transportation (DRPT), and VRE, and approved by the Commissions on July 10, 2014.
Slaters Lane Interlocking is located at Milepost CFP 106.3 on the CSXT RF&P Secondary in the City of Alexandria. It presently consists of a crossover from Track 3 to Track 2. An additional crossover is needed from Track 2 to Track 1 along with associated signal improvements so that passenger trains on any track north of Slaters Lane can stop on Track 1 at Alexandria Station.

CSXT has determined that the design of track and signal modifications at Slaters Lane should be produced by its own engineering forces and has provided VRE with a cost estimate. VRE will return to the Operations Board, once design has advanced sufficiently to estimate construction costs, for approval of another force account agreement for construction.

**Fiscal Impact:**

Funding is provided through Northern Virginia Transportation Authority FY 2015 grants and is included in VRE’s Capital Improvement Program as part of the Alexandria Track 1 Access project.
Virginia Railway Express
Operations Board

Resolution
9B-11-2015

Authorization to Execute a Force Account
Agreement for Engineering Services for
Slaters Lane/Alexandria Station Track 1 Access

WHEREAS, the Second Amendment to the Corridor Improvement Project Memorandum of Understanding, between CSX Transportation, the Virginia Department of Rail and Public Transportation, and VRE dated July 10, 2014, requires improvements to the Slaters Lane Interlocking to provide passenger train access to Track 1 at Alexandria Station; and,

WHEREAS, completion of said improvements to Slaters Lane Interlocking will improve operational flexibility and reliability; and,

WHEREAS, the Northern Virginia Transportation Authority has provided funding for the said improvements in its FY 2015 program; and,

WHEREAS, this force account agreement will allow CSX Transportation to perform engineering for the said improvements as a prelude to construction;

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 to provide engineering and services for the Slaters Lane/Alexandria Station Track 1 Access project and corresponding coordination with the adjacent projects in an amount of $425,000, plus a 10% contingency of $42,500, for a total amount not to exceed $467,500.

Approved this 20th day of November 2015

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John C. Cook
Chairman

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Paul Smedberg
Secretary
To: Chairman Cook and the VRE Operations Board

From: Doug Allen

Date: November 20, 2015

Re: Authorization to Execute a Sole Source Contract for Construction Engineering and Inspection Services for the Crossroads to Hamilton Third Track Project

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to execute a Sole Source Contract to STV Incorporated for construction engineering and inspection (CE&I) services for the completion of the Crossroads to Hamilton Third Track project in an amount of $302,735, plus a 10% contingency of $30,274, for a total amount not to exceed $333,009. A sole source determination has been made in accordance with Federal and State requirements, and VRE Procurement Policies, and public notice will be posted.

This would increase the overall Board Authority for this work from $933,040 to a total amount not to exceed $1,266,049.

Background:

The Crossroads to Hamilton Third Track is the last of the original MOU projects and required by CSXT as a pre-requisite for 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 piece of railroad infrastructure is a VRE system responsibility while construction of the station and parking facility is a responsibility of the County.
VRE began design on the third track project in January 2011. At its March 15, 2013 meeting, the Board authorized an Invitation for Bids for the construction of the Crossroads to Hamilton Third Track project. The plans were finalized and an IFB was issued on May 20, 2013.

In June 2013, the Board authorized a contract with Abernathy Construction Company for construction of the Third Track Project and in September 2013 the Board authorized a construction agreement with CSXT for their portion of the Third Track Project. In September 2013, the Board also authorized a GEC VI Task Order with STV Inc. to provide construction engineering and inspection services for the Third Track Project for a total amount not to exceed $933,040. A Notice to Proceed was issued for all these efforts in December 2013.

The original Construction Engineering and Inspection task order anticipated a 15-month duration. The project duration is currently expected to be 26 months due to:

- Weather impacts;
- Change orders;
- A six-month safety stand down;
- Mitigation of cracks which formed in the existing headwall during the extension of the Massaponax Creek Bridge;
- Foundation installation efforts associated with the new substructure for the Massaponax Creek Bridge extension; and,
- Corresponding investigations, structural inspections, recommendations, and coordination with CSXT and their structures group.

Combined, the extended construction schedule, along with the six month safety delay and change orders, consumed the budget contingency within the original Board Authorized Task Order. The entire authorization for GEC VI has been committed negating our ability to augment the original Task Order and thus requiring a new contract to extend the original scope of work through to completion, which is anticipated in the first quarter of 2016.

Procuring a new short-term contract for CE&I services through a competitive bidding process would interrupt construction until the new contract was in place, likely pushing back completion to at least the second quarter of 2016 and close to the May 2016 deadline set forth in the CSXT-VRE completion agreement. In accordance with Federal and State requirements, a determination has been made, and public notice to be provided, that STV Inc. is the only source practicably available to provide these construction engineering and inspection services in a timely manner and thus qualifies as a sole source procurement. Therefore, VRE staff recommends executing a sole source contract with STV Inc. in order to complete the project as soon as possible without interruption.

**Fiscal Impact:**

The cost of this contract can be accommodated within the contingency funds in the overall Crossroads to Hamilton Third Track project. Funding for the project in the amount of
$32.5M is provided from VRE federal formula funds ($7.92M in VA-05-0048 and VA-90-
X401); Federal STP funds allocated by DRPT ($4.5M in VA-95-X046); state REF funds
($13.86M 76513-11); an in-kind match from CSX ($2.5M); and the VRE Capital Reserve and
annual local match ($3.72M).
Virginia Railway Express
Operations Board

Resolution
9C-11-2015

Authorization to Execute a Sole Source Contract for
Construction Engineering and Inspection Services for the
Crossroads to Hamilton Third Track Project

WHEREAS, in June 2013 the VRE Operations Board authorized a contract for the Crossroads to Hamilton Third Rail Track project with Abernathy Construction, in September 2013 the VRE Operations Board authorized a contract with CSXT for the Crossroads to Hamilton Third Rail Track project; and,

WHEREAS, on September 20, 2013 the VRE Operations Board authorized award of a GEC VI Task Order to STV Incorporated for a total amount not to exceed $933,040 for Construction Engineering and Inspection services associated with the Crossroads to Hamilton Third Rail Track Project; and,

WHEREAS, the duration of the construction project has exceeded its original schedule and the additional effort on the part of STV has consumed the original budget including contingency; and,

WHEREAS, the entire authority of GEC VI has been committed; and,

WHEREAS, it is in the vital interests of VRE to complete the Crossroads to Hamilton Third Rail Track project as soon as possible without interruption; and,

WHEREAS, in accordance with Federal and State requirements, a determination has been made, and public notice to be provided, that STV Incorporated is the only source practically available to provide these construction engineering and inspection services in a timely manner and thus qualifies as a sole source procurement;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to execute a Sole Source Contract to STV Incorporated for construction engineering and inspection services for the completion of the Crossroads to Hamilton Third Track project in the amount of $302,735, plus a 10% contingency of $30,274, for a total amount of $333,009. This will increase the overall Board Authority for this work from $933,040 to a total amount not to exceed $1,266,049.
Resolution 9C-11-2015 Continued

Approved this 20th day of November 2015

_____________________________________
John C. Cook
Chairman

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Paul Smedberg
Secretary
To: Chairman Cook and the VRE Operations Board

From: Doug Allen

Date: November 20, 2015

Re: New Spending Authority Report

On May 15, 2015, the VRE Operations Board approved increasing the Chief Executive Officer’s spending authority from $50,000 to $100,000. It was resolved that any purchase of greater than $50,000 would be communicated to the Board as an information item.

- On October 23, 2015, VRE issued a Request for Quotes (RFQ) for Roadway Worker Protection Training. Three quotes were received and the CEO issued a blanket purchase order to STV, Inc. in the amount of $69,900. STV will conduct training courses for contractor personnel on an as-needed basis.

The following blanket purchase orders were issued in order to insure uninterrupted maintenance and reliable VRE service until a contract is awarded early in CY 2016 with newly modified technical specifications.

- On October 14, 2015 VRE issued an RFQ for Locomotive Traction Motor Repair Services. On October 23rd VRE received four (4) responses. A Blanket Purchase Order in the amount of $100,000 was issued to UTC/RAS, Inc. on November 4, 2015.

- On October 14, 2015 VRE issued an RFQ for Wheel Renewal Service. On October 23rd VRE received four (4) responses. A Blanket Purchase Order in the amount of $100,000 was issued to UTC/RAS, Inc. on November 4, 2015.
On October 14, 2015 VRE issued an RFQ for Wheel Re-Profile Services. On October 23rd VRE received four (4) responses. A Blanket Purchase Order in the amount of $100,000 was issued to UTC/RAS, Inc. on November 4, 2015.
Agenda Item 10-B
Information Item

To: Chairman Cooke and the VRE Operations Board
From: Doug Allen
Date: November 20, 2015
Re: FY 2017 Budget Update

As we prepare for action on the FY 2017 Budget in December, a brief update and discussion on the FY 2017 budget will take place. Shown below are highlights and key issues.

The prior version of the budget presented to the Operations Board in September 2015 showed unfunded costs of $2.8M, with a 5% increase to the jurisdictional subsidy.

The current budget shows unfunded costs of $1.18M. This is primarily due to revised ridership, revenue and average fare projections, revisions of departmental expenditures, identification of one-time operational costs and reduction of contingency.

5% Jurisdictional Subsidy Increase: The current VRE budget reflects our proposed 5% jurisdictional subsidy increase. This is in line with the FY 2016 budget recommendations in the six-year forecast.

Without this increase, the unfunded costs in the current budget will rise to $2.0M.

Ridership and Revenue: We have decreased projected average daily ridership for FY 2017 from 19,700 to 19,100 in light of current ridership information. We have also increased the average fare from $7.90 to $8.10 to reflect FY 2016 purchasing trends. The net effect of these two projection changes was to increase our shortfall by $240K. We will continue to closely monitor ridership trends going forward.
Operational Costs: We have performed a full line-item review of departmental operational costs, and made numerous adjustments to better reflect the most accurate and up-to-date projections of those costs. We have also identified items that qualify as one-time operational costs, totaling $377K.

Fuel: We have revised our fuel estimates based on the most recent available data to better reflect the fuel market as well as revised estimates of use. We have increased use from 1.6 million gallons to 1.66 million, and reduced the cost per gallon from $3.25 to $3.00, resulting in a net savings of $360K.

Contingency: We have revised our contingency for FY 2017 from 2% to 1% of operating costs, resulting in a savings of $755K. We believe this represents an adequate contingency amount for FY 2017.

Capital: The six-year capital plan is still under review, but has changed considerably since the version in September. We have updated the budget to reflect CMAQ, IPROC and REF funding and projects, and revised the federal formula funds and projects to reflect the most recent Capital planning. Major projects in the capital budget include the Facilities Asset Management Program, the Equipment Asset Management Program and the mid-day storage projects. The Capital Committee will be reviewing CIP projects and funding issues at their meeting following the November Board meeting.

Closing the FY 2017 Budget Gap: Work on the budget will continue over the next month in conjunction with the CAO Task Force. We are currently looking at the following items in order to close the budget gap:

1. Updated estimates of revenue and costs:
   - Increases to the train operations and maintenance of equipment contract are based on changes to the Consumer Price Index (CPI). The relevant data will become available on November 17th. The budget is based on a 3% increase, but we expect the number to be lower which will be reflected in the final calculation.
   - State operating assistance is budgeted at $9.0M, a decrease from the FY 2016 actual amount of $9.2M. We are awaiting estimates from the State of their expectations for FY 2017 operating assistance.

2. Second-pass review of the four proposed new FTE positions, and ways to reduce the cost burdens of these positions via alternate funding. (See attachment 1)

3. Continued ongoing review of departmental operational costs.

4. As a final measure, a reduction of the $3M annual contribution to the VRE Capital Reserve established in FY 2015.

VRE staff will have a balanced budget to present to the CAO Task Force, which will meet for the final time at the beginning of December. Operations Board adoption is scheduled for December 18th, with Commission approval on January 7, 2016.
Proposed Full Time Employee Additions in FY 2017 Budget

The information below provides a brief synopsis of the four full time employee positions proposed in the FY 2017 VRE budget:

Facilities Maintenance Specialist: A support position working under the Facilities Manager to assist in administration of contracts for facilities maintenance, repair and custodial services, to assist in Transit Asset Management Plan (TAMP) implementation and to advance proactive maintenance and oversight of all VRE facilities. Current and projected workloads are in excess of what can be effectively managed by the current single staff person.

Associate Accountant: A support position to allow the existing Associate Accountant to split her time between the HR and accounting functions. Duties of the new position will include processing of check payments and credit/debit card refunds; providing administrative support to the grant and fixed asset accounting staff; expanding the use of electronic payment processing; and assisting in drafting the annual financial statements. Additional resources are needed to ensure that all required departmental responsibilities can be carried out in a timely and accurate manner and that organizational policy and processes keep up with the current level of capital projects and required state of good repair activities.

Project Manager: A senior engineering management position to function as the VRE project lead for multiple concurrent capital projects, providing review of design and engineering documents, and input towards projects in the planning and environmental stage of development. Need for this position is related to the increasing workload of the Project Implementation department in relation to management of the VRE capital program. The existing staff cannot expeditiously advance the full range of current and planned projects.

Projects Administrator: Position will administer project controls (schedule and budgets), quality control, invoicing, procurement coordination, and routine reporting for VRE capital improvements projects. The Project Administrator will also manage minor planning and design projects. The need for this position is related to the increasing administrative workload related to the ongoing growth and complexity of the capital program. Position will increase overall departmental effectiveness and efficiency.
To: Chairman Cook and the VRE Operations Board
From: Doug Allen
Date: November 20, 2015
Re: Management Audit Recommendations Update

At the January 16, 2015 meeting, the Operations Board accepted the Management Audit. Included in the Management Audit Report were recommended improvements to VRE’s organizational structure and practices, VRE’s functions and processes, and VRE Operations Board oversight. Attached are the short-term (less than 12 months) actions recommended in the report and their current disposition.

Since the October Operations Board meeting, the following action has occurred:

Recommendation: Perform a detailed assessment of VRE technology needs to understand where technology gaps exist.

Action: The IT Department has submitted a draft Request for Qualifications for a firm to do this assessment and is working with the Procurement Department to finalize it by the end of the month.
## VRE MANAGEMENT AUDIT RECOMMENDATIONS

<table>
<thead>
<tr>
<th>Short Term (less than 12 months)</th>
<th>Description</th>
<th>VRE Lead</th>
<th>Progress Update</th>
<th>Target Date/ Complete</th>
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</thead>
<tbody>
<tr>
<td><strong>VRE Structure and Practices</strong></td>
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<tr>
<td>Organizational Alignment with Strategic Plan</td>
<td>Develop a strategic business plan and financial plan to implement the 2040 System Plan and enhance other business processes, including performance measures and a multiyear financial plan.</td>
<td>J. Swartz</td>
<td>Work on the financial plan has begun (Board update at March meeting). A consultant Task Order Request to support staff in development of the business plan has been forwarded to the Management Audit consultant team.</td>
<td>Business Plan: TBD after financial plan is complete Financial Plan: currently active</td>
</tr>
<tr>
<td>Capacity/Staffing to Support Strategic Goals</td>
<td>Implement VRE staff changes as proposed in VRE management’s FY 2016 budget (including transfer of three employees from the rail maintenance contractor to VRE) and implement a review of staffing needs as part of the annual budgeting process.</td>
<td>D. Boxer</td>
<td>Hired additional Finance position and three warehouse positions.</td>
<td>COMPLETE</td>
</tr>
<tr>
<td>Relationship Between Executive Directors and CEO</td>
<td>Develop a schedule for regular roundtable discussions between the Executive Directors, the VRE CEO, and chairs of each Commission and the VRE Operations Board (or designee) to coordinate issues jointly concerning VRE and the two Commissions.</td>
<td>D. Allen</td>
<td>First meeting was held on Monday, June 15th.</td>
<td>COMPLETE</td>
</tr>
<tr>
<td>Oversight of VRE by Commissions</td>
<td>Develop and deliver an informational presentation to each Commission on members’ roles and responsibilities with respect to VRE in their capacity as Commissioners.</td>
<td>S. MacIsaac</td>
<td>Under development</td>
<td>TBD</td>
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<tr>
<td><strong>VRE Functions and Processes</strong></td>
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<tr>
<td>Purchasing Cards</td>
<td>Evaluate advantages and disadvantages of replacing its current credit cards with purchasing cards.</td>
<td>D. Boxer</td>
<td>Procurement staff analyzing advantages/disadvantages; writing position paper.</td>
<td>December</td>
</tr>
<tr>
<td>Procurement Protocols</td>
<td>Update procurement templates to reflect new technologies and expand use of blanket purchase orders.</td>
<td>G. Hill</td>
<td>New templates are under development</td>
<td>December</td>
</tr>
<tr>
<td>Job Descriptions</td>
<td>Develop Job Descriptions/Classifications for New Staff Positions</td>
<td>A. Gotthardt</td>
<td>Finalized for recruitment of new positions</td>
<td>COMPLETE</td>
</tr>
<tr>
<td>Training</td>
<td>Develop an annual schedule and guidelines for routine staff training.</td>
<td>A. Gotthardt</td>
<td>Under development</td>
<td>December</td>
</tr>
<tr>
<td>CEO Evaluation</td>
<td>Document the process for CEO evaluation.</td>
<td>A. Gotthardt</td>
<td>Under development</td>
<td>TBD</td>
</tr>
<tr>
<td>Legal Council Review Periods</td>
<td>Document timeframes required for items commonly reviewed by legal counsel to establish reasonable expectations for all parties of how long reviews should take.</td>
<td>J. Swartz</td>
<td>Reviewing information</td>
<td>December</td>
</tr>
<tr>
<td>Legal Council Review by Assistant Attorneys</td>
<td>Identify assistant attorneys able to directly field inquiries from VRE staff.</td>
<td>S. MacIsaac</td>
<td>On-going</td>
<td>On-going</td>
</tr>
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<td>Legal Staffing Levels</td>
<td>Examine staffing levels and opportunities to quarter legal staff at VRE.</td>
<td>S. MacIsaac</td>
<td>Reviewing information</td>
<td>December</td>
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<tr>
<td>Task Description</td>
<td>Description</td>
<td>Responsible Party</td>
<td>Status</td>
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<td>Establish Legal/VRE staff progress meetings</td>
<td>Establish quarterly progress meetings between legal counsel and the VRE management team.</td>
<td>J. Swartz</td>
<td>Agreed on one monthly in-person meeting in addition to weekly conference calls. COMPLETE</td>
<td></td>
</tr>
<tr>
<td>Grant Reimbursement</td>
<td>Support PRTC in exploring options to streamline federal grant reimbursements by better utilizing IT systems such as additional features of the Microsoft SharePoint program to post a draw calendar (including staff absences) so timing can be better coordinated between VRE and PRTC.</td>
<td>D. Boxer</td>
<td>On-going</td>
<td>On-going</td>
</tr>
<tr>
<td>PRTC Financial System Progress</td>
<td>As PRTC completes the implementation of a new financial management system and addresses the noted deficiencies, provide support to PRTC as needed. Provide a copy of PRTC’s periodic progress reports to VRE Operations Board members as an information item, so that they are kept abreast of progress towards resolution of this issue.</td>
<td>D. Boxer</td>
<td>On-going</td>
<td>On-going</td>
</tr>
<tr>
<td>Audits</td>
<td>Work with external reviewers (to the extent that VRE is able) to optimize the efficiency of file sharing and other protocols of the review. Continue to examine additional steps to productively support external reviews, including use of technology and additional staffing.</td>
<td>D. Boxer</td>
<td>On-going</td>
<td>On-going</td>
</tr>
<tr>
<td>Technology Management</td>
<td>Hire a senior IT manager-level position, as recommended in VRE management’s FY 2016 budget, and consider the appropriate reporting relationship for this hire.</td>
<td>C. Henry</td>
<td>Sr. IT Manager position hired</td>
<td>COMPLETE</td>
</tr>
<tr>
<td>Technology Assessment</td>
<td>Perform a detailed assessment of VRE technology needs to understand where technology gaps exist.</td>
<td>J. Duque</td>
<td>RFQ under development.</td>
<td>TBD</td>
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<tr>
<td>Operations Board Oversight</td>
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<tr>
<td>Board Involvement in Procurement Process</td>
<td>Provide annual briefing on procurement process.</td>
<td>S. MacIsaac</td>
<td>Presented in April</td>
<td>COMPLETE</td>
</tr>
<tr>
<td>Procurement Authorization Thresholds</td>
<td>Review and adopt recommended procurement authorization and approval thresholds</td>
<td>S. MacIsaac</td>
<td>Board Item on May’s agenda</td>
<td>COMPLETE</td>
</tr>
<tr>
<td>Board Packets</td>
<td>Develop revised template for board agenda items regarding procurements to provide more detail on the fiscal impacts of purchases and the rationale for the selected procurement approach.</td>
<td>D. Boxer/S. MacIsaac</td>
<td>Developed by Procurement with guidance from Legal</td>
<td>COMPLETE</td>
</tr>
<tr>
<td>Board Calendar</td>
<td>Add an information item to each month’s Operations Board agenda that summarizes major issues anticipated for the next month’s meeting, as well as any known major items planned for discussion at subsequent meetings over the next 12 months.</td>
<td>L. Lamb</td>
<td>A CY2015 Major Board Actions calendar and a Recurring Annual Board Actions calendar have been developed and presented to the Operations Board at the February meeting. COMPLETE</td>
<td></td>
</tr>
<tr>
<td>CEO Report</td>
<td>Augment the existing CEO Report by including a dashboard performance summary, executive letter from the CEO, and additional performance measures for each department tied to the organization’s strategic business goals.</td>
<td>B. Jungwirth</td>
<td>New CEO report debuts in October</td>
<td>COMPLETE</td>
</tr>
<tr>
<td>Activity</td>
<td>Description</td>
<td>Responsible Party</td>
<td>Notes</td>
<td>Status</td>
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<tr>
<td>Board Orientation and Training</td>
<td>Implement a full-day orientation program for new Operations Board members. Develop comprehensive board orientation and training materials.</td>
<td>J. Swartz</td>
<td>Board Item on June's Agenda</td>
<td>COMPLETE</td>
</tr>
<tr>
<td>Dissemination of Board Information to Stakeholders</td>
<td>Develop a mailing list to electronically disseminate notice of agendas and meeting packets and other documents to local agency staff, other interested stakeholders, and members of the public.</td>
<td>L. Lamb</td>
<td></td>
<td>COMPLETE</td>
</tr>
<tr>
<td>Board Meeting Public Access</td>
<td>Public Access to VRE Operations Board Meetings: Investigate video or audio recording meetings and posting video/audio online for access by the public.</td>
<td>J. Duque</td>
<td>Audio of meetings will be posted on the new website. Staff investigated video but believes it is cost prohibitive at this time.</td>
<td>COMPLETE</td>
</tr>
<tr>
<td>CAO Task Force/VCC Meetings</td>
<td>Develop annual meeting schedule, with meetings in both Woodbridge and Alexandria to facilitate access by all member jurisdictions.</td>
<td>R.Dalton</td>
<td>Schedule complete</td>
<td>COMPLETE</td>
</tr>
</tbody>
</table>