Agenda Item 8-A
Consent Item

To: Chairman Skinner and the VRE Operations Board
From: Doug Allen
Date: July 15, 2016
Re: Authorization to Issue a Request for Proposals for Hosted Back Office Services for Positive Train Control

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to issue a Request for Proposals (RFP) for Hosted Back Office Services for Positive Train Control (PTC) for a base period of two years with three, one-year options to be exercised at the discretion of the Chief Executive Officer.

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. While the network infrastructure can be described by a precise specification, the ongoing support of the infrastructure is open to different approaches. An RFP is the preferred method of procurement for this solicitation since there are different approaches to the desired service and an 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 the proposed cost is fair and reasonable.

Positive Train Control (PTC) was mandated by Congress in the Rail Safety Improvement Act of 2008 for all railroads that carry passengers or hazardous materials. It is a set of highly advanced technologies designed to automatically stop a train before certain types of accidents occur. PTC must prevent train-to-train collisions; derailments caused by excessive speed; unauthorized incursions by trains onto sections of track where maintenance activities are taking place; and movement of a train through a track switch left in the wrong position.

To support VRE operation on CSX and Norfolk Southern (NS) territory, VRE is required to deploy a PTC back-office (PTC-BO) information system. This system is required to provide crew initialization, train consist information, reporting of positive train stop brake applications, provide software updates, provide security key updates and create a new interface to the nationwide PTC Multiprotocol Label Switching (MPLS) network.

Due to the specialized and proprietary nature of the PTC-BO, VRE has determined it is more cost effective to contract a third-party provider to provide this service in-lieu of developing this system in-house and hiring additional staff. The cost to set-up a service of this nature in-house would include new personnel prepared and trained to troubleshoot PTC Back Office issues and deeper network integration with the Host Railroads. With a third-party provider, implementation costs, labor and knowledge can be distributed across multiple clients. Two firms, ARINC and Wabtec, have confirmed a hosted PTC back-office is available or under development. Additional firms, such as Herzog, are expected to have the capability to provide this service.

The awarded firm will also be required to staff a troubleshooting helpdesk to support PTC. PTC requires constant digital communication with all trains, CSX train dispatch, NS train dispatch, two cellular networks and multiple radio base-stations. Failure or misconfiguration of components may result in train annulment or a temporary reduction in system safety. To mitigate the risk of any outages, the interested firms will be required to have subject matter experts available who can coordinate troubleshooting 24-hours a day 7-days a week.

Upon receipt and evaluation of the proposals, staff will return to the Board to request authorization to award the contract.

**Fiscal Impact:**

Funding is provided for in the current budget for locomotive and passenger railcar maintenance. Funding for future years will be included in each proposed annual budget.
Virginia Railway Express
Operations Board

Resolution
8A-07-2016

Authorization to Issue a Request for Proposals for Hosted Back Office Services for Positive Train Control

WHEREAS, VRE is mandated by the Rail Safety Improvement Act of 2008 and through subsequent revisions to the Act to install and certify a Positive Train Control system by December 31, 2018; and,

WHEREAS, the back office system is part of the Positive Train Control system and provides for crew initialization, train consist information, reporting of positive train stop brake applications, software and security key updates and provides an interface to the nationwide PTC MPLS network; and,

WHEREAS, a hosted back office service is deemed cost effective compared to the enormous undertaking of developing and maintaining an in-house, stand-alone system for VRE only; and,

WHEREAS, the subsequent award of a contracted service to provide VRE with a hosted back office service will ensure VRE is in compliance with the requirements in the Rail Safety Improvement Act of 2008;

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; and,

BE IT FURTHER RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to issue a Request for Proposals for Hosted Back Office Services for Positive Train Control for a base period of two years with three, one-year options to be exercised at the discretion of the Chief Executive Officer.

Approved this 15th day of July 2016

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Gary Skinner
Chairman

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Maureen Caddigan
Secretary
Agenda Item 8-B  
Consent Item

To: Chairman Skinner and the VRE Operations Board  
From: Doug Allen  
Date: July 15, 2016  
Re: Authorization to Issue an Invitation for Bids for the Purchase of Replacement Railcar Batteries

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to issue an Invitation for Bids (IFB) for the purchase of 21 cab control and 50 trailer car replacement batteries.

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.

VRE passenger railcars are equipped with low-voltage, nickel-cadmium batteries, that when connected in a series, establishes a low-voltage battery system on each passenger railcar. The low-voltage battery systems provide DC power to vital components such as radio’s, headlights, ditchlights, interior cab lights, etc. The low-voltage battery systems are nearing the end of their useful life on 21 cab control and 50 trailer cars and need to be replaced in FY 2017. Authorization to issue this Invitation for Bids, and the subsequent award of a Contract, will allow for the purchase of the replacement low-voltage batteries.
The mechanical contractor will replace the batteries as part of the on-going life cycle maintenance strategy.

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

**Fiscal Impact:**

The CIP includes the Equipment Asset Management Program which is funded through an annual allocation of FTA 5337 (State of Good Repair) grants.
WHEREAS, passenger railcars are equipped with low-voltage, nickel-cadmium batteries to provide DC power to various onboard components; and,

WHEREAS, the batteries onboard 21 cab control and 50 trailer cars are nearing the end of their useful life; and,

WHEREAS, the award of a Contract to purchase and replace batteries in FY 2017 aligns with the lifecycle maintenance plan established for passenger railcars; and,

WHEREAS, once the batteries are received by the Contractor, the mechanical contractor will replace the batteries on the passenger railcars;

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 21 cab control and 50 trailer car replacement batteries.

Approved this 15th day of July 2016

_____________________________
Gary Skinner
Chairman

Maureen Caddigan
Secretary
To: Chairman Skinner and the VRE Operations Board

From: Doug Allen

Date: July 15, 2016

Re: FY 2018 Key Budget Issues

Recommendation:

The VRE Operations Board is asked to provide feedback and direction for the development of the FY 2018 Budget and Capital Improvement Program (CIP).

Background:

VRE has adopted a financial planning process that provides for early consideration of key budget issues and assumptions. During the budget cycle, VRE staff meets monthly with the member jurisdictions’ Chief Administrative Officers (CAO) Budget Taskforce to develop the annual proposed budget and an independent CAO recommendation is provided to the Operations Board and Commissions in conjunction with the final budget submission at the December Operations Board meeting. In addition, the Capital Committee reviews major capital needs and issues for referral to the full Operations Board as required. The Committee met in June to review the Key Issues related to the capital program.

In accordance with the VRE Master Agreement, a consolidated financial projection over a six-year time frame is provided each year as a component of the annual budget. During the last year, a Financial Plan was developed to forecast the cost of current operations and various growth scenarios through FY 2040, the period covered by the VRE System Plan. The Financial Plan established that even to maintain the current level of service, VRE requires substantial operating and capital funding that cannot be met with currently identified funding sources. The chart below shows the average annual need through FY
2040 if VRE were to maintain service, enhance the system capacity to meet the future growth in the region, or implement the full System Plan.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Average Annual Operating Gap</th>
<th>Average Annual Capital Gap</th>
<th>Total Average Annual Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steady State</td>
<td>21.2M</td>
<td>20.5M</td>
<td>41.7M</td>
</tr>
<tr>
<td>Natural Growth</td>
<td>9.7M</td>
<td>34.8M</td>
<td>44.5M</td>
</tr>
<tr>
<td>System Plan 2040</td>
<td>14.3M</td>
<td>52.1M</td>
<td>66.4M</td>
</tr>
</tbody>
</table>

The need for additional funds identified in the Financial Plan will be apparent in the FY 2018 operating and capital budgets and the FY 2018 – FY 2023 six-year forecast and CIP.

The Financial Plan forecast is being used to inform efforts to develop new sources of operating and capital funding. During FY 2017, the Commonwealth Transportation Board will review the forecast and report back to the General Assembly.

VRE’s Financial and Debt Principles addresses the prioritization of projects within the Capital Improvement Program and states:

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

Included in these priorities is the required replacement of the Ivy City midday storage facility, a prerequisite for continuing to provide the current level of service, as further described below. In addition to these first level priorities, the CIP decision-making emphasizes the commitment to ensure the development of the railroad infrastructure in the CSXT territory; project readiness; funding availability; and the identification of funding to complete projects with some but not total funding.

**Proposed FY 2018 Key Issues**

*Key Issue #1: Level of service:* Some trains are currently at or over 100% capacity. Planned service improvements include the lengthening of peak trains as additional rail cars are received.

The addition of the Fredericksburg line train in FY 2016 was expected to minimize the overcrowding and the capacity issues at stations further up the line, and we continue to monitor this effect. Five rail cars were ordered in FY 2015 and an additional nine were ordered in FY 2016. These additional rail cars along with infrastructure improvements to stations and storage yards will allow for the lengthening of existing peak trains and provide an opportunity to convert two existing “deadhead” trains on the Manassas line to revenue service. No new trains are funded during the FY 2018 – FY 2023 time frame.
**Key Issue #2: Jurisdictional subsidy and fare increases:** The VRE service currently must be supported within the confines of jurisdictional budget constraints and a competitive and equitable fare structure. As noted above, the Financial Plan forecast was the first step in quantifying the need for additional ongoing dedicated funding sources to support both the operating and capital needs of the commuter rail service.

VRE has had three fare increases in the last six fiscal years (FY 2013, FY 2014 & FY 2016) in order to maintain the level of service without being excessive in cost to the rider. The FY 2017 six-year financial forecast projected a fare increase of 3% in FY 2018. This increase 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.

The jurisdictional subsidy amount was increased by 5% in FY 2017 to approximately the total subsidy amount paid in FY 2009. The FY 2017 six-year financial forecast projected no change to the total subsidy amount in FY 2018, and a subsidy increase of 3% for FY 2019. With the decreased gasoline costs over the last two years, several of the jurisdictions who were exclusively relying on the fuel tax to pay the VRE subsidy are no longer able to do so.

**Key Issue #3: Maintenance and Replacement of VRE Assets:** As noted above, the maintenance of equipment and facilities to support current service levels is a priority in the VRE capital program. Federal formula funds devoted to maintaining transit assets in a “State of Good Repair” are expected to provide for these costs over the life-cycle of VRE’s assets. However, replacement of the fleet at the end of the expected useful life of the equipment will require additional funding mechanisms.

The federal priority of maintaining transit systems in a “State of Good Repair” has been continued in the Fixing America’s Surface Transportation (or FAST) Act, the current federal transportation authorization, and the funds to adequately maintain equipment and facilities will be available from this source. VRE’s ongoing transit asset management initiatives will be used to refine the costs that were included in the prior year budget and CIP for related projects.

Because VRE’s current fleet of railcars and locomotives were purchased during a compressed time period, the replacement of the fleet at the end of its useful life is projected to be needed during a five-year period beginning in FY 2030, at an estimated cost of approximately $450M. Although this need falls well beyond the projection period in the annual budget and CIP, this issue was highlighted in the longer-term Financial Plan forecast.

**Key Issue #4: Midday Storage:** The construction of alternate midday storage facilities will require a significant funding commitment over the next several years.

The current agreement with Amtrak includes provisions for Amtrak to reclaim VRE’s midday storage space at the Ivy City yard for their own use during the next several years.
As a result, VRE must proceed expeditiously to replace the storage yard now used at Ivy City. Work done on the project thus far indicates that it will require a substantial portion of available federal formula funds over the term of the FY 2018 – FY 2023 CIP and may require the identification of other funding sources.

In addition to the replacement of the current storage tracks, VRE needs to increase midday train storage beyond what is currently available in order to provide for storage of all existing trains. This will be accomplished with the completion of storage tracks north and south of the L’Enfant station during FY 2017.

The new storage yard is expected to have the capacity to accommodate future growth as well as replace the current storage slots.

**Key Issue #5: Resources needed to implement the capital program:** Capital improvements needed to support the current level of VRE service, to increase railroad infrastructure capacity in the VRE service territory or to grow the system to meet future expected demand require the identification and commitment of funds beyond those currently available to VRE.

Each of the existing sources of capital funding that VRE relies on has inherent limitations. State capital funding is expected to drop off sharply in FY 2019 and FY 2020 when bond funding supporting the state matching percentage is no longer available. Federal funding has increased considerably over the last several years, but the limitations on the use of our major source of federal funds, the 5337 or State of Good Repair program, will further complicate our capital funding picture. NVTA regional funding continues to be available on a discretionary basis for certain VRE capital projects, but only for those located within the NVTA jurisdictions, which has created an imbalance of funding sources within VRE. Local sources of funding are limited and must compete with other jurisdictional funding priorities.

**Key Issue #6: VRE staff level:** VRE needs the staff resources necessary to operate and administer the commuter rail system safely, efficiently and in compliance with all federal and state requirements and to advance the capital program in accordance with system needs and funding commitments.

Since inception, the administration and oversight of the commuter rail system has been accomplished by a relatively small permanent staff, supplemented at times with assistance on a contract or temporary basis. For a number of years, as the system itself grew and developed, along with a continuing increase in internal and external requirements, the staff level did not keep pace. However, three new permanent positions and the replacement of three contract positions with VRE staff positions were funded in FY 2016 and an additional four new full time positions were funded in FY 2017. VRE management is currently reviewing existing staffing resources and potential needs for FY 2018, particularly in regard to resources needed to advance the capital program.
**Key Issue #7: Renewal of CSX operating access agreement:** The VRE five-year operating access agreement with CSX Transportation expired on June 30, 2016. In May 2016, the VRE Operations Board approved a one-year extension of this agreement through June 30, 2017.

Throughout this one-year extension period, VRE, CSXT and DRPT will meet to determine capacity enhancement projects, to prioritize these projects, to establish methodologies to identify how the capacity enhancements will result in additional service for VRE and to identify potential funding sources. VRE staff anticipates these elements will be integrated into the new Amended and Restated Agreement. The potential fiscal impact will be monitored throughout the FY 2018 budget process and reflected as appropriate.

**Key Issue #8: Statewide transit funding:** Projections of available statewide transit funding for operations and capital projects in FY 2018 and future years indicate the possibility of substantial decreases in certain years.

In the latest information presented to the Commonwealth Transportation Board (CTB) on June 13, 2016, the total level of operating assistance available statewide is projected to increase slightly through FY 2022. However, the expansion of WMATA’s Silver Line (Phase II scheduled to open 2020) will materially impact the amount received by VRE and other transit providers in future years. Despite some additional revenue as a result of legislation passed in the 2015 session, state capital funding is expected to drop off sharply in FY 2019 and FY 2020 when bond funding supporting the state matching percentage is no longer available, as noted above. One significant issue for VRE is the matching percentage for state grants for track access in any multi-year agreements entered into during this time frame. VRE staff will continue to monitor future levels of available state funding.

**Next Steps:**

- Continuation of discussion of FY 2018 budget and CIP with the CAO Budget Task Force.
- Provision of preliminary budget and CIP to the Operations Board in September 2016 and to the Commissions in October 2016.

**Fiscal Impact:**

The fiscal impact of the FY 2018 budget and capital program will be addressed at the September VRE Operations Board meeting.
Virginia Railway Express
Operations Board

Resolution
9A-07-2016

FY 2018 Key Budget Issues

WHEREAS, financial planning for the Virginia Railway Express is based on a set of budget issues and assumptions discussed by the VRE Operations Board prior to the development of the annual operating and capital budget; and,

WHEREAS, the VRE Operations Board has directed that the development of each annual budget involve consultation and cooperation with the Chief Administrative Officers (CAO) Budget Taskforce established by VRE’s participating and contributing jurisdictions; and,

WHEREAS, budget issues and assumptions for the development of the FY 2018 operating and capital budget were reviewed by the CAO Budget Taskforce prior to their presentation to the Operations Board; and,

WHEREAS, the Key Issues related to the CIP were reviewed by the Capital Committee prior to their presentation to the Operations Board;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board directs VRE staff to develop the FY 2018 Budget and CIP in accordance with the Board's direction.

Approved this 15th day of July 2016

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Gary Skinner
Chairman

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Maureen Caddigan
Secretary
To: Chairman Skinner and the VRE Operations Board  
From: Doug Allen  
Date: July 15, 2016  
Re: Authorization to Execute a Contract for Federal Relations Services

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to execute a contract with Ann Warner, LLC of Alexandria, VA for Federal Relations Services in the amount of $564,000, plus a 10% contingency of $56,400, for a total amount not to exceed $620,400, for a three year base period and two option years, with the CEO exercising the option years at his discretion. This contract is for a monthly retainer of $9,000 per month for the three year base period and $10,000 per month for the two option years.

Background:

Recently, VRE has been interacting with the Virginia Congressional delegation, other members of Congress, the Federal Railroad and Transit Administrations, and other federal entities (e.g. the Surface Transportation Board) on issues including Positive Train Control, the definition of the Northeast Corridor, Commuter Benefits, the reauthorization of the FAST Act Transportation bill, and Commuter Rail Liability. These Federal level issues directly impact VRE operations and budget, our ability to attract and retain passengers, and to secure discretionary funding. Staff was augmented by a contractor that specializes in federal relations services to facilitate communications with Congress, Executive Branch agencies, and other federal entities; attend and represent VRE at hearings and meetings; and develop position papers and reports on Federal legislative and regulatory issues. This
was initially done through a short-term contract, but staff anticipates an on-going need for these types of services.

In the coming months and years, VRE may be seeking endorsement and/or financial support from Congress and the Federal Railroad and Transit Administrations for capital projects including adding capacity to the Long Bridge across the Potomac River, funding for the Midday Storage Facility in the District of Columbia, the Gainesville-Haymarket extension, and other railroad and station improvements. VRE must also remain vigilant regarding possible legislative and regulatory changes that could impact the operations of service, both positively and negatively. A thorough understanding of the Federal environment and continued advocacy with Federal stakeholders is important to our success.

In February 2016, the VRE Operations Board approved a request to issue a Request for Proposals (RFP) for Federal Legislative Services. In accordance with VRE Public Procurement Policies and Procedures, an RFP is the preferred method of procurement for this solicitation because there are different approaches to the desired service and an evaluation of technical merit is required. Upon completion of evaluation of proposals, negotiations are conducted with the highest ranked firm deemed to be fully qualified and best suited among those submitting Proposals, on the basis of the factors specified in the evaluation criteria. Price is 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.

A mailing list of 12 prospective Offerors was established for the solicitation to ensure access to adequate sources of services. On May 16, 2016, an RFP was issued for Federal Relations Services (note minor title change to better reflect all services included in the scope) and proposals were due on June 15, 2016. Nine responses were received.

Evaluation of the Proposals received was performed by the Technical Evaluation Team (TET), which consisted of one VRE staff member, one Commission staff member, and one jurisdiction staff member.

The TET met to discuss and evaluate the Proposals using the following criteria:

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
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</thead>
<tbody>
<tr>
<td>Project approach and management plan including a clear understanding of the project scope and technical requirements.</td>
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</tbody>
</table>
Capability and expertise of the proposed firm(s) to include experience dealing with elected officials and the business community on legislative projects.

Knowledge of proposed key personnel related to Federal Transit Administration (FTA), Federal Railroad Administration (FRA) and legislative branch processes.

Cost for services.

Interviews were conducted with the top four firms. It was determined the proposal from Ann Warner, LLC was technically compliant and unanimously selected to be best value for the project.

Below is the final ranking of firms who submitted a proposal.

<table>
<thead>
<tr>
<th>Offerors</th>
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<tbody>
<tr>
<td>1. Ann Warner, LLC of Alexandria, VA</td>
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<tr>
<td>2. Holland &amp; Knight of Washington, DC</td>
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<tr>
<td>3. Van Scoyoc &amp; Associates of Washington, DC</td>
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<td>4. McDonald Hopkins of Washington, DC</td>
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<td>4. Summit Strategies of Washington, DC</td>
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<td>5. Smith Dawson &amp; Andrews of Washington, DC</td>
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<tr>
<td>6. Fox Rothschild of Washington, DC</td>
</tr>
<tr>
<td>7. RBC &amp; Associates of Washington, DC</td>
</tr>
<tr>
<td>8. Cassidy &amp; Associates of Washington, DC</td>
</tr>
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</table>

The Offerors’ proposed pricing was in the range of $7,000 to $9,000 per month. Complete pricing information may not be publically disclosed until after execution of a contract. VRE staff has certified the highest ranked Offeror’s price is fair and reasonable based on the independent cost estimate for this project.

The Contract will be for a Base Period of three years with the option to extend for two additional one-year periods, at the discretion of the CEO, and the contract term will not exceed five years.

**Fiscal Impact:**

The FY 2017 Operating budget line item for Chief of Staff – Professional Services includes funding for the first year of this activity. Funding for future years will be included in each proposed annual budget.
Virginia Railway Express  
Operations Board  
Resolution  
9B-07-2016  

Authorization to Execute a Contract for Federal Relations Services

WHEREAS, VRE has been interacting with Congress, the Federal Railroad and Transit Administrations, and other federal entities (e.g. the Surface Transportation Board) on issues including Positive Train Control, the definition of the Northeast Corridor, Commuter Benefits, the reauthorization of the FAST Act Transportation bill, and Commuter Rail Liability, which directly impact VRE; and,

WHEREAS, VRE anticipates seeking endorsement and/or financial support from Congress and the Federal Railroad and Transit Administrations for major capital projects; and,

WHEREAS, VRE must remain vigilant regarding possible legislative and regulatory changes that could impact the operation of the service; and,

WHEREAS, VRE needs a thorough understanding of the federal environment and continued advocacy with federal stakeholders to continue our success; and,

WHEREAS, staff was augmented through a short-term contract by a contractor that specialized in federal relations services and now believes on-going services are warranted; and,

WHEREAS, the Operations Board’s approval of this procurement does not represent its independent assessment of the candidate’s responses to the solicitation or of each step in the procurement process followed by staff; rather, the Operations Board’s action is premised upon its conclusion, after review of the information before it, that the process used by the staff was in accordance with law and that the staff recommendation appears to be reasonable;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive to execute a contract with Ann Warner, LLC of Alexandria, VA for Federal Relations Services in the amount of $564,000, plus a 10% contingency of $56,400, for a total amount not to exceed $620,400, for a three year base period and two option years, with the CEO exercising the option years at his discretion.
Resolution 9B-07-2016
Page 2

Approved this 15th day of July 2016

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Gary Skinner
Chairman

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Maureen Caddigan
Secretary
Agenda Item 9-C
Action Item

To: Chairman Skinner and the VRE Operations Board
From: Doug Allen
Date: July 15, 2016
Re: Authorization to Execute a Contract for Environmental and Design Services for a Midday Train Storage Facility

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to execute a contract with Vanasse Hangen Brustlin, Inc. (VHB) of Vienna, Virginia, to provide Environmental and Design Services for a Midday Storage Facility in the amount of $2,883,272, plus a 10% contingency of $288,327, for a total amount not to exceed $3,171,599.

Background:

From the start of service in 1992, VRE has stored nearly all of its trains in midday on tracks leased from Amtrak in its Ivy City Maintenance Facility north of Washington Union Station. On July 15, 2015, VRE and Amtrak entered into an Agreement for the Continuation of Commuter Rail Passenger Service Access to Washington Union Terminal and Station and Storage of Commuter Rail Passenger Equipment, the terms of which permit Amtrak to reduce VRE storage in Ivy City starting in July 2018.

A recent Master Plan for Washington Union Terminal Yard, conducted by Amtrak in collaboration with VRE, and Maryland Transit Administration's MARC Train Service, confirmed the future demand for maintenance and storage space at Ivy City will soon exceed the space currently available. VRE and Amtrak concur that VRE midday storage is
the logical candidate to be relocated to vacant Amtrak property, approximately 8.6 acres in size, on the south side of the Northeast Corridor in the District along New York Avenue NE.

VRE subsequently conducted an alternatives analysis of 20 potential yard sites in the District of Columbia, Maryland, and Virginia within 12 miles, and a feasibility study to assess the suitability of the proposed New York Avenue NE yard site (NYY). The alternative analysis concluded that the NYY site was by far the preferred site for VRE midday storage. The feasibility study concluded that, with the addition of approximately 2.9 acres of District right-of-way and two privately owned parcels totaling approximately 1.0 acres, the NYY site would be sufficient to meet VRE’s immediate and long-term midday storage needs consistent with the System Plan 2040.

On June 19, 2015, the VRE Operations Board approved a request to issue a Request for Proposals (RFP) to provide Engineering and Environmental Services for Midday Train Storage Facility. In accordance with Section 2.2-4303 of the Virginia Public Procurement Act, these services must be procured through a Request for Proposals (RFP). Upon completion of evaluation of proposals, negotiations are conducted with the highest ranked firm deemed to be fully qualified and best suited among those submitting Proposals, on the basis of the factors specified in the evaluation criteria. Price is 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 the proposed cost is fair and reasonable.

A mailing list of 68 prospective Offerors was established for the solicitation to ensure access to adequate sources of services. VRE also advertised on the Commonwealth of Virginia’s electronic procurement service (eVA). On May 12, 2016, an RFP was issued and Proposals were due on June 13, 2016. Five responses were received.

Evaluation of the Proposals received was performed by the Technical Evaluation Team (TET), which consisted of four VRE staff. The TET met to discuss and evaluate the Proposals using the following criteria:

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project approach and management plan.</td>
</tr>
<tr>
<td>Capability and expertise of the proposed firm(s).</td>
</tr>
<tr>
<td>Knowledge and qualifications of the proposed Project Manager.</td>
</tr>
</tbody>
</table>


Knowledge and qualifications of the proposed key personnel for the project team.

Availability of the proposed Project Manager and key personnel assigned to the project relative to their competing workloads.

Interviews were conducted with the three highest ranked Offerors. Following the interview process, it was determined the Proposal from VHB was technically compliant and unanimously selected to be the best value for the project.

Below is the final ranking of firms who submitted a proposal to provide Environmental and Design services for a Midday Storage Facility:

<table>
<thead>
<tr>
<th>Offerors</th>
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</thead>
<tbody>
<tr>
<td>1. Vanasse Hangen Brustlin, Inc.</td>
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<tr>
<td>3. Johnson, Mirmiran &amp; Thompson, Inc.</td>
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<tr>
<td>4. Gannett Fleming</td>
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<tr>
<td>4. HDR Engineering, Inc.</td>
</tr>
</tbody>
</table>

The VHB price is within the CIP Budget for Development and Final Design (see table below), and the BAFO has been determined to be fair and reasonable by VRE Staff based on internal review and Cost/Price Analysis (Reasonableness Determination) documentation as part of standard procurement procedures. The term of the Contract shall be for a period of 24 months from the date set forth in the written Notice-to-Proceed.

**Fiscal Impact:**

This project is included in VRE’s Capital Improvement Program under Midday Train Storage with funds drawn from VRE’s FY 2014 to 2016 Federal Formula (5307 and 5337) funds.
Virginia Railway Express
Operations Board

Resolution
9C-07-2016

Authorization to Execute a Contract for Environmental and Design Services for a Midday Train Storage Facility

WHEREAS, VRE requires midday storage in the District of Columbia north of Washington Union Station in order to operate passenger train service in a cost-effective manner; and,

WHEREAS, VRE and Amtrak agree that future demand for maintenance and storage space at the Ivy City Maintenance Facility that VRE presently uses will soon exceed the space currently available; and,

WHEREAS, on July 15, 2015, VRE and Amtrak entered into an Agreement for the Continuation of Commuter Rail Passenger Service Access to Washington Union Terminal and Station and Storage of Commuter Rail Passenger Equipment, the terms of which permit Amtrak to reduce VRE storage in Ivy City starting in July 2018; and,

WHEREAS, VRE and Amtrak have collectively identified and determined the feasibility of a suitable alternative midday storage site in the District along New York Avenue NE; and,

WHEREAS, VRE issued a request for proposals for Engineering and Environmental Services for engineering and environmental services for a Midday Train Storage Facility on May 12, 2016; and,

WHEREAS, the Operations Board’s approval of this procurement does not represent its independent assessment of the candidate’s responses to the solicitation or of each step in the procurement process followed by staff; rather, the Operations Board’s action is premised upon its conclusion, after review of the information before it, that the process used by the staff was in accordance with law and that the staff recommendation appears to be reasonable;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to execute a contract with Vanasse Hangen Brustlin, Inc. of Vienna, Virginia, to provide Environmental and Design Services for a Midday Storage Facility in the amount of $2,883,272, plus a 10% contingency of $288,327, for a total amount not to exceed $3,171,599.
Resolution 9C-07-2016
Page 2

Approved this 15th day of July, 2016

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Gary Skinner
Chairman

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Maureen Caddigan
Secretary
Agenda Item 9-D
Action Item

To: Chairman Skinner and the VRE Operations Board
From: Doug Allen
Date: July 15, 2016
Re: Authorization to Execute a Contract for Engineering and Environmental Services for the VRE Penta-Platform Corridor Improvement Project

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to execute a contract with STV Incorporated dba STV Group Incorporated (STV), of Fairfax, VA, to provide engineering and environmental services for the VRE Penta-Platform Corridor Improvement Project in the amount of $1,983,300, plus a 10% contingency of $198,330, for a total amount not to exceed $2,181,630.

Background:

VRE is initiating platform improvement projects at five Fredericksburg Line stations (Franconia-Springfield, Lorton, Rippon, Brooke, and Leeland Road) in order to improve safety, provide flexibility for railroad operations, and accommodate the ridership growth and longer trains proposed in System Plan 2040. The second platforms at Lorton, Rippon, Brooke, and Leeland Road are specified as improvements needed as a prerequisite for adding the new Potomac Shores Station in 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.
On March 20, 2015, the VRE Operations Board approved a request to issue a Request for Proposals (RFP) to provide for Engineering and Environmental Services for Engineering and Environmental Services for Platform Improvements at Five Fredericksburg Line Stations. The title of the RFP was subsequently changed to Engineering and Environmental Services for the VRE Penta-Platform Corridor Improvement Project before being issued to be consistent with the project’s title in the VRE CIP document.

Because the scope includes professional services, in accordance with Section 2.2-4303 of the Virginia Public Procurement Act, these services must be procured through an RFP. Upon completion of evaluation of proposals, negotiations are conducted with the highest ranked firm 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.

A mailing list of 96 prospective Offerors was established for the solicitation to ensure access to adequate sources of services. VRE also advertised on the Commonwealth of Virginia's electronic procurement service (eVA). On May 6, 2016, an RFP for Engineering and Environmental Services for the VRE Penta-Platform Corridor Improvement Project was issued and Proposals were due on June 6, 2016. Seven responses were received.

Evaluation of the Proposals received was performed by the Technical Evaluation Team (TET), which consisted of four (4) VRE staff. The TET met to discuss and evaluate the Proposals using the following criteria:

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project approach and management plan including a clear understanding of the project scope and technical requirements.</td>
</tr>
<tr>
<td>Capability and expertise of the proposed firm(s) to include experience performing conceptual and preliminary design for passenger rail stations, as well as working with CSXT.</td>
</tr>
<tr>
<td>Knowledge and qualifications of the proposed Project Manager including experience managing passenger rail station projects and working with CSXT.</td>
</tr>
<tr>
<td>Knowledge and qualifications of the proposed key personnel for the project team including depth of experience in passenger rail station design projects, in particular USDOT (i.e., FTA, FRA, etc.) rules and guidance; NEPA; application of AREMA, CSXT, and other applicable design and construction standards and practices.</td>
</tr>
</tbody>
</table>
Interviews were conducted with the three highest ranked Offerors. Following the interview process, it was determined that the Proposal from STV was technically compliant and unanimously selected to be the best value for the project.

Below is the final ranking of firms who submitted a proposal to provide engineering and environmental services for the VRE Penta-Platform Corridor Improvement Project:

<table>
<thead>
<tr>
<th>Offerors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. STV Incorporated dba STV Group Incorporated, Fairfax, VA</td>
</tr>
<tr>
<td>2. Dewberry Consultants LLC, Fairfax, VA</td>
</tr>
<tr>
<td>3. HDR Engineering, Inc., Vienna, VA</td>
</tr>
<tr>
<td>4. AECOM Technical Services, Inc., Arlington VA</td>
</tr>
<tr>
<td>5. Gannet Fleming Inc., Fairfax, VA</td>
</tr>
<tr>
<td>6. Rummel, Klepper &amp; Kahl, LLP, Baltimore, MD</td>
</tr>
<tr>
<td>7. Stantec Consulting Services Inc., Laurel, MD</td>
</tr>
</tbody>
</table>

The STV price is within the CIP Budget for Development and Final Design (see table below), and the BAFO has been determined to be fair and reasonable by VRE Staff based on internal review and Cost/Price Analysis (Reasonableness Determination) documentation as part of standard procurement procedures. The term of the Contract shall be for a period of 24 months from the date set forth in the written Notice-to-Proceed.

**Fiscal Impact:**

Funding for the platform improvements is provided through a combination of Federal, State and regional sources as outlined in the table below. The local match for Brooke and Leeland Road Stations is provided through in-kind services supplied by the private developer in the design and construction of Potomac Shores Station.

The following table identifies the planned improvements and source of funding for each of the five subject stations. The CIP budget for Development and Final Design is provided, along with the cost for the current phase, preliminary engineering and environmental studies, for each station. Contracts for Final Design will be solicited at the conclusion of the current phase.
<table>
<thead>
<tr>
<th>Station</th>
<th>Improvements</th>
<th>Funding Source(s)</th>
<th>CIP Dev./ Final Design Budget</th>
<th>Dev. Cost (PE and Env.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Franconia-Springfield</td>
<td>Platform Widening and Platform Ext.</td>
<td>NVTA</td>
<td>$1.3M</td>
<td>$407,091</td>
</tr>
<tr>
<td>Lorton</td>
<td>Second Platform and Platform Ext.</td>
<td>NVTA, CMAQ, DRPT (State Transit Capital)</td>
<td>$1.8M</td>
<td>$405,522</td>
</tr>
<tr>
<td>Rippon</td>
<td>Second Platform and Platform Ext.</td>
<td>NVTA, CMAQ, DRPT (State Transit Capital)</td>
<td>$1.6M</td>
<td>$425,873</td>
</tr>
<tr>
<td>Brooke (1)</td>
<td>Second Platform and Platform Ext.</td>
<td>DRPT (REF Funds)</td>
<td>$1.4M</td>
<td>$406,868</td>
</tr>
<tr>
<td>Leeland Road (1)</td>
<td>Second Platform and Platform Ext.</td>
<td>DRPT (REF Funds)</td>
<td>$1.4M</td>
<td>$338,146</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>$7.5M</strong></td>
<td><strong>$1,983,300</strong></td>
</tr>
</tbody>
</table>

(1) The platform extensions at Brooke and Leeland are funded only for preliminary engineering and environmental studies.
Virginia Railway Express
Operations Board

Resolution
9D-07-2016

Authorization to Execute a Contract for Engineering and Environmental Services for the VRE Penta-Platform Corridor Improvement Project

WHEREAS, due to current ridership demand along with future growth projections, VRE has initiated platform improvements that will include Franconia-Springfield, Lorton, Rippon, Brooke and Leeland Road stations; and,

WHEREAS, second and extended platforms will enhance safety, expedite train operations, accommodate ridership growth, and provide increased flexibility for railroad operations; and,

WHEREAS, VRE has specifically committed through the Second Amendment to the Corridor Improvement Project Memorandum of Understanding with CSX Transportation and the Virginia Department of Rail and Public Transportation to add second platforms at Lorton, Rippon, Brooke, and Leeland Road stations; and,

WHEREAS, this authorization and anticipated schedule will allow the design process to begin by initiating field survey and geotechnical evaluations, identification and remediation of environmental concerns, and development of design concepts, alternatives, and details; and,

WHEREAS, VRE issued a Request for Proposals for Engineering and Environmental Services for the VRE Penta-Platform Corridor Improvement May 6, 2016; and,

WHEREAS, the Operations Board’s approval of this procurement does not represent its independent assessment of the candidate’s responses to the solicitation or of each step in the procurement process followed by staff; rather, the Operations Board’s action is premised upon its conclusion, after review of the information before it, that the process used by the staff was in accordance with law and that the staff recommendation appears to be reasonable;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to execute a contract with STV Incorporated dba STV Group Incorporated, of Fairfax, VA, to provide Engineering and Environmental Services for the VRE Penta-Platform Corridor Improvement Project in the amount of $1,983,300, plus a 10% contingency of $198,330, for a total amount not to exceed $2,181,630.
Resolution 9D-07-2016
Page 2

Approved this 15th day of July, 2016

____________________________
Gary Skinner
Chairman

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Maureen Caddigan
Secretary
To: Chairman Skinner and the VRE Operations Board

From: Doug Allen

Date: July 15, 2016

Re: Recommend Authorization to Submit VRE Projects to the Commonwealth Transportation Board for Evaluation Under Smart Scale

Recommendation:

The VRE Operations Board is asked to recommend the Commissions authorize the VRE Chief Executive Officer to submit, on behalf of the Commissions, the Gainesville-Haymarket Extension Project and the Fredericksburg Line Capacity Expansion Project to the Commonwealth Transportation Board (CTB) for evaluation under the Smart Scale scoring process and funding consideration in the FY 2022-2023 Program, make any necessary corrections to project amounts or descriptions in the applications, and execute all project funding agreements that may result from consideration of the projects.

Background:

Smart Scale (formerly known as HB2) is the prioritization process that was signed into law in 2014. Projects must meet the capacity and operations needs of VTrans2040, Virginia’s long-range multimodal transportation plan, and go through the Smart Scale process to receive state funding under the Construction District Grant Program (CDGP) and the High-Priority Projects Program (HPPP). These two grant programs were established in 2015 under House Bill 1887. The CDGP is open only to localities. Transit agencies may apply for HPPP funding with a resolution of support from the relevant regional agency, i.e. Northern Virginia Transportation Authority, Transportation Planning Board, or Fredericksburg Area...
Metropolitan Planning Organization. A project applying for funds from the HPPP is prioritized with projects statewide. The CTB then makes a final decision on which projects to fund.

For the current round of Smart Scale evaluations, candidate projects must be submitted between August 1 and September 30, 2016. VRE has identified two candidate projects for submittal: VRE Gainesville-Haymarket Extension Project and VRE Fredericksburg Line Capacity Expansion Project. Both projects are capacity expansion projects located in Corridors of Statewide Significance (COSS) as well as on Regional Networks, and qualify for funding through the High-Priority Projects Program.

The VRE Gainesville-Haymarket Extension Project was submitted for the last round of evaluations and scored well, but was not selected for funding. The project will be resubmitted with updated information, including ridership and capital needs, developed through the ongoing study. The estimated total cost of the project is $540 million and the Smart Scale grant request will be **$270 million**.

The Fredericksburg Line Capacity Expansion Project combines several currently unfunded or underfunded projects in the VRE CIP and will include necessary station, parking, and storage yard expansions along the Line as well as rolling stock to complete implementation of Phase I of the System Plan 2040, including operating longer trains. The estimated total cost of the project is **$136 million** and the Smart Scale grant request will be **$99 million**.

**Fiscal Impact:**

The submission of a project list has no fiscal impact. If selected for funding, the funds would allow the VRE Projects to be completed on an accelerated schedule.
Virginia Railway Express
Operations Board

Resolution
9E-07-2016

Recommend Authorization to Submit VRE Project to the Commonwealth Transportation Board for Evaluation Under Smart Scale

WHEREAS, VRE has identified two candidate projects for evaluation under the Smart Scale prioritization process; and,

WHEREAS, projects must go through the Smart Scale prioritization process to receive funding under the High-Priority Projects Program; and,

WHEREAS, the Commonwealth Transportation Board (CTB) will use the Smart Scale scoring along with other information to inform their funding decisions;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby recommend the Commissions authorize the Chief Executive Officer to submit, on behalf of the Commissions, the Gainesville-Haymarket Extension Project and the Fredericksburg Line Capacity Expansion Project to the Commonwealth Transportation Board for evaluation under the Smart Scale scoring process and funding consideration in the FY 2022-2023 Program, make necessary corrections to project amounts or descriptions, and execute all project funding agreements that may result from consideration of the projects.

Approved this 15th day of July, 2016

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Gary Skinner
Chairman

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Maureen Caddigan
Secretary
### SMART SCALE APPLICATION

**Fredericksburg Line Capacity Expansion**

- **Finish underfunded/unfunded Phase 1 projects**
  - Alexandria Passenger Tunnel
  - Brooke & Leeland Rd Platforms (modify existing platforms)
  - Leeland Rd Parking Expansion (675 additional spaces)
  - 12 additional coaches (1,474 seats per peak period)
  - Crossroads MSF Expansion (parking for longer trains)

- **Total Project Cost:** $136.6 M
  - Committed Funds: $37.7 M
    - 5307, SSTP, Other State, VRE & CMAQ
  - SMART SCALE Request: $98.9 M
To: Chairman Skinner and the VRE Operations Board
From: Doug Allen
Date: July 15, 2016
Re: 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 any purchase of greater than $50,000 would be communicated to the Board as an information item.

- On June 16, 2016, VRE issued a Supplemental Task Order to NV Enterprises in the amount of $50,000 for general on-call task services for scheduled, medium-effort repair, installation and inspection services. The original Task Order was for the amount of $49,000. This Supplemental Task Order brings the total to $99,000 for general on-call task services.

- On June 16, 2016, VRE issued a Task Order to STV Inc. in the amount of $84,077 to support VRE with the oversight of the IFB creation, procurement, and proof-of-concept phase and implementation of a parking count solution at VRE Parking lots and interfacing with the VRE Mobile App.

- On June 29, 2016, VRE issued a Task Order to STV Inc. in the amount of $53,870 to prepare a Technical Specification to Contract PTC Back Office Services. STV will supply the specification and engineering estimate and assist VRE through the procurement process via responses to pre-proposal questions and technical proposal evaluation.
To: Chairman Skinner and the VRE Operations Board

From: Doug Allen

Date: July 15, 2015

Re: Draft 2016/17 Legislative Agenda

The VRE Operations Board is asked to provide comment on the draft 2016/17 VRE Legislative Agenda. The Operations Board will be asked to take action in September recommending a Legislative Agenda to the Commissions.

**Background:**

Annually, VRE prepares a Legislative Agenda to communicate VRE Legislative priorities in coordination with the Commissions and local jurisdictional staff.

**VRE 2016/17 Legislative Issues**

**Federal Legislative Issues:**

**Issue 1: Positive Train Control (PTC) Implementation**

- Continue monitoring PTC legislative and regulatory activity

**Issue 2: FAST Act Rule Making**

- On December 4, 2015, President Obama signed into law the Fixing America’s Surface Transportation Act, or “FAST Act.”
• The FAST Act includes new programs and changes to existing programs that will require agencies to go through the federal rule making process.

• Monitor and participate in the rule making process.

**State Legislative Issues:**

**Issue 1: Protective Floor for the Regional 2.1% Motor Fuels Tax**

• VRE will continue to support its parent commissions on the creation of a "protective floor" for the regional 2.1% motor fuels tax. Currently without a protective floor, the existing regional 2.1% motor fuels tax generates less revenue than expected due to the drop in fuel prices.

**Issue 2: Explore, Identify and Secure Additional VRE Capital and Operating Funding**

• As VRE implements the 2040 System Plan, it has developed an accompanying Financial Plan that identifies capital and operating requirements needed to implement the plan.

• A key findings in the Financial Plan is the clear need for increased funding, even without any proposed expansion of service.

• The local jurisdiction members of VRE are financially constrained in their ability to fund existing VRE operations and capital needs and will experience even greater challenges in securing funding for operational and capital costs identified in the System Plan. VRE will explore, identify and secure a long term, dependable funding source for both existing and future operations and capital costs.
To: Chairman Skinner and the VRE Operations Board

From: Doug Allen

Date: July 15, 2016

Re: Gainesville-Haymarket Extension Project Work Session

A work session with the VRE Operations Board will be held as part of the Operations Board meeting to provide an overview of the results of the GHX analyses completed to date and to address Board member questions from the June 17th Board meeting.
To: Chairman Skinner and the VRE Operations Board

From: Doug Allen

Date: July 15, 2016

Re: CEO Performance Review

The VRE Operations Board will convene a closed session for the purpose of discussing one personnel matter pertaining to reviewing the CEO's accomplishments and performance, and to begin discussions on potential contract modifications.