Agenda Item 9-D
Action Item

To: Chairman Skinner and the VRE Operations Board
From: Doug Allen
Date: March 18, 2016
Re: Authorization to Execute a Sole Source Contract for Locomotive Head End Power Top Deck Overhaul Kits

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to execute a Sole Source Contract with Alban Power Systems of Virginia, for delivery of Head End Power (HEP) Top Deck Overhaul Kits in the amount of $671,063, plus a 10% percent contingency of $67,106, for a total amount not to exceed $738,169.

Background:

VRE’s locomotives are equipped with Caterpillar C27 HEP engines to provide electrical power to the passenger cars. These engines require periodic overhauls and other maintenance activities based primarily on the amount of fuel consumed and total engine hours. VRE locomotives are nearing the recommended interval for the replacement of major top deck engine components and systems.

In order to minimize locomotive down time, VRE has compiled a list of all engine components necessary to perform the required maintenance into a parts kit. A total of 20 HEP kits, each consisting of nine component groups, are required for the purpose of performing this overhaul program. VRE will procure the HEP kits and rely on VRE’s locomotive maintainer to provide the labor required to install the HEP engine kit components.
On July 17, 2015, the VRE Operations Board approved a request to issue an Invitation for Bids (IFB) for Head End Power Top Deck Overhaul Kits. Through this process, VRE was made aware of an agreement established between Caterpillar and their dealers, whereas dealers are prohibited from competing outside of their region for sales and service. As such, a sole source determination to use Alban Power Systems of Virginia has been made in accordance with state and federal requirements, and VRE Procurement Policies, and public notice will be provided.

**Fiscal Impact:**

This project is included in the Equipment Asset Management Program which is funded through an annual allocation of FTA 5337 (State of Good Repair) grants.
Virginia Railway Express
Operations Board

Resolution
9D-03-2016

Authorization to Execute a Sole Source Contract for
Locomotive Head End Power Top Deck Overhaul Kits

WHEREAS, VRE’s locomotives are equipped with the Caterpillar C27 Head End Power (HEP) engines to provide electrical power to the VRE passenger cars; and,

WHEREAS, VRE locomotives are nearing the recommended engine hours and fuel consumption requiring VRE to perform top deck overhauls. A total of twenty HEP kits are required for the purpose of performing this overhaul program; and,

WHEREAS, Caterpillar has an agreement with their dealers prohibiting them to compete outside their region for sales and service; and,

WHEREAS, in accordance with state and federal requirements, and VRE Procurement Policies, a determination has been made, and public notice thereof will be provided, that because Alban Engine Power Systems is VRE’s assigned regional dealer for new Caterpillar parts and is the only supplier able to provide the required HEP kits, this 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 with Alban Engine Power Systems of Virginia for Head End Power Top Deck Overhaul Kits, in the amount of $671,063, plus a 10% contingency of $67,106, for a total amount not to exceed $738,169.

Approved this 18th day of March 2016

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Gary Skinner
Chairman

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Maureen Caddigan
Secretary