To: Chairman Skinner and the VRE Operations Board
From: Doug Allen
Date: May 20, 2016
Re: Recommend Authorization to Amend the First Year of the Contract for Maintenance Services for Commuter Rail

Recommendation:

The VRE Operations Board is asked to recommend the Commissions authorize the Chief Executive Officer to amend the previously authorized, but not executed, First Year of the Contract for Maintenance Services with Keolis Rail Services Virginia, LLC (KRSV). The amendment changes the start date from July 1, 2015 to July 1, 2016, and increases the Contract authorization for the First Year of the Contract by $841,768, for a total amount not to exceed $7,252,371, through June 30, 2017.

Background:

On June 20, 2014, the VRE Operations Board authorized the VRE CEO to issue a Request for Proposals (RFP) for Maintenance Services for Commuter Rail in order to separate the Operating and Maintenance functions into two contracts. On January 15, 2015, the VRE Operations Board recommended the Commissions authorize the VRE CEO execute a contract with Keolis Rail Services Virginia, LLC (KRSV) for Maintenance Services for a five year base term with two subsequent five year option periods. The Commissions approved this recommendation at their respective February 2015 meetings. The anticipated first year of the contract was authorized in an amount not to exceed $6,410,603, and scheduled to commence on July 1, 2015.
On February 10, 2015, VRE received a protest of the award to KRSV by one of the offerors, RailPlan International, Inc. (RPI). The VRE CEO rejected the protest and RPI filed suit in Alexandria Circuit Court. This delayed execution of the separate Maintenance Services contract. On March 1, 2016, the Alexandria Circuit Court ruled in favor of VRE allowing the award of the contract to KRSV. This action amends the original start date of July 1, 2015 to July 1, 2016.

Since the originally anticipated start date of July 1, 2015, VRE initiated additional train service and changes to the maintenance program. Specifically, VRE, started an additional Fredericksburg train. The initial authorization only included a partial year of maintenance and inspection costs for the additional Fredericksburg line train, but now this train will be in service the entire first year of the contract. VRE also initiated several rolling stock maintenance projects, as part of VRE’s life cycle maintenance strategy, not accounted for in the original authorization amount. This action amends the original authorization amount to include these additional costs.

In summary, this action will authorize the additional cost for rolling stock equipment preventive maintenance in FY 2017 consistent with the life cycle maintenance plan, reflect a full year of cost for the additional Fredericksburg line train and adjust the start date of the first year of the contract for Maintenance Services to July 1, 2016.

**Fiscal Impact:**

Sufficient funding for the first year of these activities is included in the FY2017 Operating and Capital Improvement Program (CIP) budgets.

| FY 2017 Operating Budget: Maintenance Services for Commuter Rail | $6,519,871 |
| FY 2017 CIP Budget: Asset Management – Rolling Stock Equipment and Asset Management – Facilities | $732,500 |
| **FY 2017 Total:** | **$7,252,371** |

Funding for future years will be included in each subsequent proposed annual budget.
Recommend Authorization to Amend the First Year of the Contract for Maintenance Services for Commuter Rail

WHEREAS, the VRE Operations board previously recommended and the Commissions approved a Contract for Maintenance Services for Commuter Rail with Keolis Rail Services Virginia, LLC; and,

WHEREAS, the Contract was previously scheduled to start on July 1, 2015; and,

WHEREAS, after the Commissions authorized the VRE CEO to execute the Contract, VRE received a protest of the award of the Contract; and,

WHEREAS, the VRE Chief Executive Officer rejected the protest and the offeror filed suit; and,

WHEREAS, the contract execution was postponed pending the outcome of the suit; and,

WHEREAS, the Alexandria Circuit Court ruled in favor of VRE awarding the Contract to Keolis Rail Services Virginia, LLC on March 1, 2016; and,

WHEREAS, the Contract authorization needs to be amended to reflect the new Contract start date of July 1, 2016; and,

WHEREAS, the Contract amount needs to be increased above the initial Contract authorization of $6,410,603 for additional rolling stock maintenance including maintenance and inspections for the additional Fredericksburg Line train and life cycle maintenance work scheduled for FY 2017;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby recommend the Commissions authorize the Chief Executive Officer to amend the previously authorized, but not executed First Year of the Contract for Maintenance Services with Keolis Rail Services Virginia, LLC for Maintenance Services for Commuter Rail from July 2, 2015 to July 1, 2016; and,

BE IT FURTHER RESOLVED THAT, the VRE Operations Board does hereby recommend the Commissions authorize the Chief Executive Officer to increase the Contract authorization for the First Year of the Contract with Keolis Rail Services Virginia, LLC for Maintenance Services for Commuter Rail by $841,768, for a total amount not to exceed $7,252,371, through June 30, 2017.
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Approved this 20th day of May 2016

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Gary Skinner
Chairman

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Maureen Caddigan
Secretary