Agenda Item 9-A
Action Item

To: Chairman Smedberg and the VRE Operations Board
From: Doug Allen
Date: April 21, 2017
Re: Recommend Authorization to Execute an Amendment for the Third Year of the First Option Period for Operating Services for Commuter Rail

Recommendation:
The VRE Operations Board is asked to recommend the Commissions authorize amending the Contract with Keolis Rail Services Virginia, LLC for Operating Services for Commuter Rail by approving up to $15,416,000 for the third year of the first option period, for a total contract value not to exceed $147,406,557 through June 30, 2018.

Background:
On October 16, 2009, the VRE Operations Board recommended, and the Commissions subsequently approved, a five-year contract with Keolis Rail Services Virginia (KRSV) for commuter rail operations and maintenance. The maintenance portion was removed from this contract and these services are now included in a separate contract for maintenance services. The third year of the first option period for operating services will start July 1, 2017. The total amount requested for authorization is equal to the total budgeted for FY 2018.

The work performed under this contract includes providing certified locomotive engineers and conductors to operate VRE commuter rail trains. The contract scope of work also includes FRA reporting and claims management. Below is a list of the amendments, contract modifications and proposed action for this contract:
<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Amount</th>
<th>Authorized Value (Cumulative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-16-2009</td>
<td>1st Contract Year &amp; Mobilization</td>
<td>$18,459,348</td>
<td>$18,459,348</td>
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<tr>
<td>12-17-2010</td>
<td>Amendment (a)</td>
<td>$2,085,000</td>
<td>$20,544,348</td>
</tr>
<tr>
<td>5-20-2011</td>
<td>2nd Contract Year</td>
<td>$17,954,527</td>
<td>$38,498,875</td>
</tr>
<tr>
<td>4-20-2012</td>
<td>3rd Contract Year (b)</td>
<td>$18,008,591</td>
<td>$56,507,466</td>
</tr>
<tr>
<td>4-19-2013</td>
<td>4th Contract Year</td>
<td>$18,974,041</td>
<td>$75,481,507</td>
</tr>
<tr>
<td>4-18-2014</td>
<td>5th Contract Year (c)</td>
<td>$20,115,047</td>
<td>$95,596,554</td>
</tr>
<tr>
<td>5-15-2015</td>
<td>1st Year of the First Option Period (6th Contract Year)</td>
<td>$20,931,000</td>
<td>$116,527,554</td>
</tr>
<tr>
<td>5-20-2016</td>
<td>2nd Year of the First Option Period (7th Contract Year) (d)</td>
<td>$15,463,003</td>
<td>$131,990,557</td>
</tr>
<tr>
<td>4-21-2017</td>
<td>3rd Year of First Option Period (8th Year) (e)</td>
<td>$15,416,000</td>
<td>$147,406,557</td>
</tr>
</tbody>
</table>

(a) Amendment included service enhancements, higher than anticipated insurance costs; items included in the original negotiations, contingency funds, and removed the requirement Keolis indemnify VRE for all liability claims arising from the contract service with a value of up to $5,000,000.

(b) FY 2013 budget amended mid-year for service enhancements resulting in the lengthening of two trains. This increased the FY 2013 contract budget amount to $18,248,591. Authorization available from prior year approvals.

(c) FY 2015 budget includes adding the new Fredericksburg line train for half of the fiscal year.

(d) FY 2017 budget reflects the amended agreement removing the maintenance of equipment and facilities maintenance functions.

(e) Pending Approval

**Fiscal Impact:**

Funding for the third year of the first option period (8th year) is included in the FY 2018 operating budget. The total amount budgeted for train operations is $15,416,000.
Virginia Railway Express
Operations Board

Resolution
9A-04-2017

Recommend Authorization to Execute an Amendment for the Third Year of the First Option Period for Operating Services for Commuter Rail

WHEREAS, on October 16, 2009, the VRE Operations Board approved a 5-year contract with Keolis Rail Services Virginia for VRE operations and maintenance services and mobilization in the amount of $18,459,348 through June 30, 2011; and,

WHEREAS, a contract amendment was approved on December 17, 2010 in the amount of $2,085,000; and,

WHEREAS, on May 20, 2011, the Operations Board approved the second contract year, through June 30, 2012, in the amount of $17,954,527, for a total contract value not to exceed $38,498,875; and,

WHEREAS, on April 20, 2012, the Operations Board approved the third contract year, through June 30, 2013, in the amount of $18,008,591, for a total contract value not to exceed $56,507,466; and,

WHEREAS, on April 19, 2013, the Operations Board approved the fourth contract year, through June 30, 2014, in the amount of $18,974,041, for a total contract value not to exceed $75,481,507; and,

WHEREAS, on April 18, 2014, the Operations Board approved the fifth contract year, through June 30, 2015, in the amount of $20,115,047, for a total contract value not to exceed $95,596,554; and,

WHEREAS, on May 15, 2015, the Operations Board approved the first year of the first option period, through June 30, 2016, in the amount of $20,931,000, for a total contract value not to exceed $116,527,554; and,

WHEREAS, on May 20, 2016, the Operations Board further authorized amending the agreement to remove the requirements for the Maintenance of Equipment and Facilities; and,

WHEREAS, on May 20, 2016, the Operations Board approved the second year of the first option period, through June 30, 2017, in the amount of $15,463,003, for a total contract value not to exceed $131,990,557;
NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby recommend the Commissions authorize amending the Contract with Keolis Rail Services Virginia, LLC for Operating Services for Commuter Rail by approving up to $15,416,000 for the third year of the first option period, for a total Contract value not to exceed $147,406,557 through June 30, 2018.

Approved this 21st day of April 2017

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Paul Smedberg
Chairman

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Katie Cristol
Secretary