To: Chairman Smedberg and the VRE Operations Board

From: Doug Allen

Date: June 16, 2017

Re: FY 2019 Key Budget Issues

Recommendation:

The VRE Operations Board is being asked to provide feedback and direction for the development of the FY 2019 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 May 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. In 2016, 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, ranging from a gap of $40M to $65M depending on if VRE were to maintain service, enhance the system capacity to meet the future growth in the region, or implement the full System Plan. (The Financial Plan projections are currently being updated to include revised ridership and funding projections and to incorporate a modified System Plan service profile, which may alter the estimated unfunded need.) These funding gaps over a long-term horizon will also be apparent in the FY 2019 operating and capital budget and the FY 2019 – FY 2024 six-year forecast and CIP.
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 2019 Key Issues

Key Issue #1: State funding beyond FY 2018: Changes to the level of and allocation method for state transit funds will exacerbate VRE's capital and operating funding challenges.

The FY 2018 to FY 2023 CIP and Six-Year Financial Forecast illustrated the funding challenges VRE faces, since currently identified funding falls short of the system’s operating and capital needs. One major factor is the uncertainty of available levels of future state funding for capital needs, which is expected to drop off sharply in FY 2019 and FY 2020 when bond funding supporting the state contribution to capital projects is no longer available. VRE’s FY 2018 Budget was based on $10.6M of state transit capital funds used as match for federal formula funds and an additional $5.7M to support track access fees, based on a “tiered” percentage funding system that has been in place since FY 2014.

The Transit Capital Revenue Advisory Board (RAB) was created to identify possible sources of replacement revenue and to develop a methodology for project prioritization, with technical support provided by the Transit Service Delivery Advisory Committee (TSDAC). The current proposals to develop a statewide prioritization process for the allocation of state capital funds for state of good repair projects will mean VRE cannot depend on consistent state support for our highest priority projects and could well have significant difficulties in meeting federal grant match requirements.

In the draft Rail and Public Transportation Improvement Program to be presented to the Commonwealth Transportation Board (CTB) in June 2017, the total level of operating assistance is projected to hold steady through FY 2021 and increase slightly beginning in FY 2022. However, the expansion of WMATA’s Silver Line (Phase II scheduled to open in 2020) will materially impact the amount received by VRE and other transit providers in future years.

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. Although additional ongoing dedicated funding sources to support
both the operating and capital needs of the commuter rail service are needed, fare and subsidy levels must also be routinely increased to at least partially accommodate ongoing contractual increases.

The FY 2018 six-year financial forecast projected a subsidy increase of 3% for FY 2019. The jurisdictional subsidy amount was last increased by 5% in FY 2017 to approximately the total subsidy amount paid in FY 2009. 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.

VRE has had four fare increases in the last six fiscal years (FY 2013, FY 2014, FY 2016 and FY 2018) in order to maintain the current level of service at a reasonable cost to the rider. The FY 2018 six-year financial forecast projected no fare increase in FY 2019.

**Key Issue #3: 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.

Five rail cars were ordered in FY 2015 and placed in service in FY 2017. An additional nine rail cars ordered in FY 2016 are expected to be received in FY 2018. These additional rail cars along with infrastructure improvements to stations and storage yards will allow for the lengthening of existing peak trains. The Smart Scale grant provided funding for additional rail cars in the latter year of the FY 2019 to FY 2024 CIP to further lengthen existing peak trains.

**Key Issue #4: Capital costs at Washington Union Terminal (WUT):** VRE’s future required contribution to capital investments at WUT is dependent on the cost sharing mechanism being developed by the Northeast Corridor Commission.

The FY 2018 to FY 2023 CIP included $45M to fund track, signal, platform and passenger facility upgrades and re-alignments at Washington Union Terminal (WUT). Some of these funds will be used for interim improvements at the terminal, as agreed to between Amtrak and VRE. The more significant costs will be the result of the allocation of infrastructure improvements to all users of the terminal based on a formula that is currently being developed by the Northeast Corridor (NEC) Commission. At this time, we do not know whether the amount programmed is higher or lower than the amount that will be required. More specific information should be available over the next several months so this potential cost can be better quantified.

The NEC Commission was created under a provision of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA) in order to develop consistent methodologies for the equitable sharing of operating costs and infrastructure investments within the Northeast Corridor for commuter and intercity rail services. The Commission is comprised of members from each of the NEC states, Amtrak and the U.S. DOT with non-voting representatives from freight railroads and states, such as Virginia, which connect to the
NEC. The Commission approved a cost allocation policy for operating costs in September 2015; for VRE this policy now determines the cost of our access to WUT. The Northeast Corridor Capital Investment Plan for Fiscal Years to 2018 to 2022 outlines $38B of backlog or improvement projects needed to support the Corridor. The Commission is currently working on a method for allocating these capital costs to the users of NEC assets.

**Key Issue #5: Maintenance and Replacement of VRE Assets:** The maintenance of rolling stock 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.

VRE’s current fleet of railcars and locomotives were purchased during a compressed time period. As a result, 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 #6: 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 it will require a substantial portion of available federal formula funds over the term of the FY 2019 to FY 2024 CIP and may require the identification of other funding sources or short-term bridge financing until additional federal funds are available.

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 2018.

The new storage yard is expected to have the capacity to accommodate future growth as well as replace the current storage slots.
**Key Issue #7: 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 VRE relies on has inherent limitations. 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. The limitations of state funding are noted above.

VRE was recently approved for Smart Scale funding for $92M in FY 2022 dollars. While this funding fills a crucial funding gap for numerous VRE projects at the construction phase, it creates a funding lag as these projects are scheduled to start earlier than when the funds will be available in FY 2022.

**Key Issue #8: 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 was 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 #9: 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 and a second one-year extension was approved in May 2017, through June 30, 2018.

Throughout this second one-year extension period, VRE, CSXT and DRPT will meet to determine capacity enhancement projects, prioritize these projects, 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 2019 budget process and reflected as appropriate.

**Next Steps:**

- Continuation of discussion of FY 2019 budget and CIP with the CAO Budget Task Force.
- Provision of preliminary budget and CIP to the Operations Board in September 2017 and to the Commissions in October 2017.

**Fiscal Impact:**

The fiscal impact of the FY 2019 budget and capital program will be addressed at the September Operations Board meeting.
Virginia Railway Express
Operations Board

Resolution
8A-06-2017

FY 2019 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 2019 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 2019 Budget and CIP in accordance with the Board’s direction.

Approved this 16th day of June 2017

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Paul Smedberg
Chairman

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Katie Cristol
Secretary
To:        Chairman Smedberg and the VRE Operations Board
From:     Doug Allen
Date:     June 16, 2017
Re:       Authorization to Issue a GEC VII Task Order for Final Design Services for Franconia-Springfield Station Improvements

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to issue a GEC VII Task Order to STV Incorporated for Final Design Services for the Franconia-Springfield Station Improvement Project in the amount of $840,224, plus a 10% contingency of $84,022, for a total not to exceed $924,246.

Background:

VRE is designing platform improvements at five Fredericksburg Line stations (Franconia-Springfield, Lorton, Rippon, Brooke, and Leeland Road) to enhance safety, expedite train operations, and provide increased flexibility for railroad operations as proposed under System Plan 2040.

VRE is presently completing preliminary engineering and environmental documentation efforts for Franconia-Springfield station improvements in conjunction with CSX Transportation (CSXT), the Virginia Department of Rail and Public Transportation (DRPT), and the Fairfax County Department of Transportation (FCDOT). Station improvements include extending both existing platforms to accommodate full-length trains and widening the east platform to serve a future third track.

Implementation of the VRE station improvements is closely interconnected with DRPT’s parallel project to construct a new third track through the station under the Atlantic Gateway program. It is vital for construction staging that VRE complete its station improvements before construction begins on the Atlantic Gateway projects.
The scope of services for this task order includes final design services as required to advance 100% complete plans, technical specifications, pre-construction documents, and updated cost estimates. STV Incorporated (STV) is the prime consultant for Task Area C (Design Services: Passenger Facilities) under the VRE General Engineering Consultant VII (GEC-VII). A Request for a Task Order Proposal for Design Services was issued to STV on May 16, 2017, and a Task Order Proposal was returned on May 23, 2017. STV proposed to perform the requested services for $840,22, which was within 10% of the independent cost estimate. Following the review of the task order proposal, VRE recommends award to STV.

**Fiscal Impact:**

The platform improvements at the Franconia-Springfield VRE Station are included in the VRE Capital Improvement Plan with funding provided through a project agreement with the Northern Virginia Transportation Authority.
Virginia Railway Express
Operations Board

Resolution
8B-06-2017

Authorization to Issue a GEC VII Task Order for Final Design Services for Franconia-Springfield Station Improvements

WHEREAS, VRE has undertaken a program of Fredericksburg Line station improvements to enhance safety, expedite train operations, and provide increased flexibility for railroad operations; and,

WHEREAS, the preliminary Engineering and early Environmental documentation efforts are substantially complete for the Franconia-Springfield station improvements; and,

WHEREAS, the Franconia-Springfield station improvements are closely interrelated to and must be implemented in advance of third track construction through the station under the Virginia Department of Rail and Public Transportation (DRPT) Atlantic Gateway program; and,

WHEREAS, this authorization for Final Design Services under the GEC VII contract will advance the project to 100% complete plans and readiness for construction; and,

WHEREAS, STV, Incorporated is the prime consultant for Task Area C (Design Services: Passenger Facilities) and has presented an acceptable proposal to perform said services;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to issue a GEC VII Task Order to STV Incorporated for Final Design Services for the Franconia-Springfield Station Improvement Project in the amount of $840,224, plus a 10% contingency of $84,022, for a total not to exceed $924,246.

Approved this 16th day of June 2017

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Paul Smedberg
Chairman

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Katie Cristol
Secretary
To: Chairman Smedberg and the VRE Operations Board  
From: Doug Allen  
Date: June 16, 2017  
Re: Authorization to Issue a GEC VII Task Order for Final Design Services for the Lorton Station Second Platform Project

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to issue a GEC VII Task Order to STV, Incorporated for Final Design Services for the Lorton Station Second Platform Project in the amount of $956,554, plus a 10% contingency of $95,655, for a total not to exceed $1,052,209.

Background:

VRE is designing platform improvements at five Fredericksburg Line stations (Franconia-Springfield, Lorton, Rippon, Brooke, and Leeland Road) to enhance safety, expedite train operations, and provide increased flexibility for railroad operations as proposed under System Plan 2040. The second platform at Lorton Station is also specified 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.

VRE is coordinating engineering and environmental documentation efforts with CSXT, DRPT, and the Fairfax County Department of Transportation (FCDOT). The second platform and an associated pedestrian overpass are part of the Penta Platform Improvements projects along with the Lorton Station Platform Extension project, which is currently under construction.

Implementation of these station improvements is closely interconnected with DRPT's parallel project to construct a new third track through the station under the Atlantic...
Gateway program. It is vital for construction staging that VRE complete its station improvements before construction begins on the Atlantic Gateway projects.

The scope of services for this task order includes final design services as required to advance 100% complete plans, technical specifications, pre-construction documents, and updated cost estimates. Project elements include adding a new island platform on the railroad west-side; adding a retaining wall near the new island platform to accommodate the future third track constructability; and other incidental items as necessary.

STV, Incorporated (STV) is the prime consultant for Task Area C (Design Services: Passenger Facilities) under the VRE General Engineering Consultant VII (GEC-VII). A Request for a Task Order Proposal for Design Services was issued to STV on May 16, 2017, and a Task Order Proposal was returned on May 23, 2017. STV proposed to perform the requested services for $956,554, which was within 10% of the independent cost estimate. Following careful review of the task order proposal, staff recommends award to STV.

**Fiscal Impact:**

The Second Platform at the Lorton Station is included in the VRE Capital Improvement Plan. Funding is provided through a project agreement with the Northern Virginia Transportation Authority; federal and state CMAQ grants; and a state Mass Transit grant with match provided by Fairfax County.
Virginia Railway Express  
Operations Board  

Resolution  
8C-06-2017  

Authorization to Issue a GEC VII Task Order for Final Design Services for the Lorton Station Second Platform Project

WHEREAS, VRE has undertaken a program of Fredericksburg Line station improvements to enhance safety, expedite train operations, and provide increased flexibility for railroad operations; and,

WHEREAS, the preliminary Engineering and early Environmental documentation efforts are substantially complete for the Lorton Station second platform; and,

WHEREAS, the Lorton second platform project, in addition to the platform extension project currently under construction, is closely interrelated to and must be implemented in advance of third track construction through the station under the Virginia Department of Rail and Public Transportation (DRPT) Atlantic Gateway program; and,

WHEREAS, VRE has specifically committed through the Second Amendment to the Corridor Improvement Project Memorandum of Understanding with CSX Transportation (CSXT) and the Virginia Department of Rail and Public Transportation (DRPT) to add a second platform at Lorton Station; and,

WHEREAS, this authorization for Final Design Services under the GEC VII contract will advance the project to 100% complete plans and readiness for construction; and,

WHEREAS, STV Incorporated is the prime consultant for Task Area C (Design Services: Passenger Facilities) and has presented an acceptable proposal to perform said services;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to issue a GEC VII Task Order to STV Incorporated for Final Design Services for the Lorton Station Second Platform Project in the amount of $956,554, plus a 10% contingency of $95,655, for a total not to exceed $1,052,209.

Approved this 16th day of June 2017

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Paul Smedberg  
Chairman

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Katie Cristol  
Secretary
To: Chairman Smedberg and the VRE Operations Board

From: Doug Allen

Date: June 16, 2017

Re: Authorization to Issue a GEC VII Task Order for Final Design Services for the Fredericksburg Station Rehabilitation Project

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to issue a GEC VII Task Order to STV Incorporated (STV) for Final Design Services for the Fredericksburg Station Rehabilitation Project in the amount of $391,836, plus a 10% contingency of $39,184, for a total not to exceed $431,020.

Background:

In 2011, concrete modifications and repairs were performed on both platforms at the Fredericksburg station. The current length of each platform is approximately 400 feet. South of these platforms are the original platforms, which are rarely used due to their uneven surfaces, cracking and delamination.

The scope of work for the project includes concrete modifications and repairs extending approximately 125 feet to the south of each of the currently-used platforms, improving the boarding capacity for VRE and Amtrak trains. Due to the lengthening of platforms an additional stair tower is to be added at the southeast corner of the station for a safe passenger egress option that does not require crossing Princess Anne Street at-grade.

The scope of services for this task order include final design services as required to advance 100% complete plans, technical specifications, pre-construction documents, and updated cost estimates.

STV Incorporated (STV) is the prime consultant for Task Area C (Design Services: Passenger Facilities) under the VRE General Engineering Consultant VII (GEC-VII).
Request for a Task Order Proposal for Design Services was issued to STV on May 5, 2017, and a Task Order Proposal was returned on May 18, 2017. STV proposed to perform the requested services for $391,836, which was within 10% of the independent cost estimate. Following the review of the task order proposal, VRE recommends award to STV.

**Fiscal Impact:**

The platform rehabilitation at the Fredericksburg VRE Station are to be completed with funding provided through FTA formula funds, specifically Section 5337 funds (State of Good Repair).
Virginia Railway Express
Operations Board

Resolution
8D-06-2017

Authorization to Issue a GEC VII Task Order for Final Design Services for the Fredericksburg Station Rehabilitation Project

WHEREAS, in 2011, concrete modifications and repairs were performed on both platforms at the Fredericksburg station; and,

WHEREAS, south of these 400-foot platforms are the original platforms, which are rarely used due to their uneven surfaces, cracking and delamination; and,

WHEREAS, the scope of services for this task order include final design services as required to advance 100% complete plans, technical specifications, pre-construction documents, and updated cost estimates; and,

WHEREAS, STV Incorporated is the prime consultant for Task Area C (Design Services: Passenger Facilities) and has presented an acceptable proposal to perform said services;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to issue a GEC VII Task Order to STV Incorporated for Final Design Services for the Fredericksburg Station Rehabilitation Project in the amount of $391,836, plus a 10% contingency of $39,184, for a total not to exceed $431,020.

Approved this 16th day of June 2017

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Paul Smedberg
Chairman

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Katie Cristol
Secretary
To: Chairman Smedberg and the VRE Operations Board  
From: Doug Allen  
Date: June 16, 2017  
Re: Authorization to Issue a Task Order for Woodbridge Station Painting Services

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to issue a Task Order to Fresh Air Duct Cleaning, LLC for Woodbridge Station Painting Services in the amount of $240,630, plus a 10% contingency of $24,063, for a total not to exceed $264,693.

Background:

A recent assessment of VRE stations identified the Woodbridge station as being in need of painting. This work will be accomplished through a task order issued under the Custodial and Seasonal Services contract with Fresh Air Duct Cleaning, LLC.

The Scope of Services for this task order includes painting of the Woodbridge station building, walkway canopies, parking garage, pedestrian bridge, west elevator and stair tower and east and west platform canopies.

This task order covers the estimated costs of the above referenced Woodbridge station painting services.

Fiscal Impact:

Funding for the requested amount of $264,693 for Woodbridge station painting services is included in the FY 2017 and FY 2018 Operating budgets for Facilities Non-Routine Maintenance.
Virginia Railway Express
Operations Board

Resolution
8E-06-2017

Authorization to Issue a Task Order for Woodbridge Station Painting Services

WHEREAS, a recent assessment of VRE stations identified the Woodbridge station as being in need of painting; and,

WHEREAS, the Scope of Services for this task order includes painting of the Woodbridge station building, walkway canopies, parking garage, pedestrian bridge, west elevator and stair tower and east and west platform canopies; and,

WHEREAS, this task order covers the estimated costs of the above referenced Woodbridge station painting services;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to issue a Task Order to Fresh Air Duct Cleaning, LLC for Woodbridge Station Painting Services in the amount of $240,630, plus a 10% contingency of $24,063, for a total not to exceed $264,693.

Approved this 16th day of June 2017

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Paul Smedberg
Chairman

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Katie Cristol
Secretary
To:       Chairman Smedberg and the VRE Operations Board

From:    Doug Allen

Date:    June 16, 2017

Re:      Authorization to Issue a Supplemental Task Order for
         Electrical Repair Services

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to issue Supplemental Task Order 1E under the Facilities Maintenance Contract to NV Enterprises for electrical repair services in the amount of $90,000, plus a 5% contingency of $4,500, for a total of $94,500. This brings the total not to exceed amount for Task Order 1 (plus Supplemental Task Orders 1A, 1B, 1C, 1D and 1E) to $529,500.

Background:

In addition to base work, the Facilities Maintenance Services Contract allows for Task Order work on an as-needed basis to address various facility repairs, as well as routine and preventive maintenance related projects. The on-call electrical repair services provided through this contract with NV Enterprises are done through a Task Order and subsequent Supplemental Task Orders.

The first Task Order executed under the contract was Task Order 1, Electrical Repair Services, in the amount of $75,000. As Task Order work is completed and additional work is required, subsequent Supplemental Task Orders have been approved by the Operations Board as follows:

- 1A - November 2014 in the amount of $90,000.
- 1B - June 2015 in the amount of $90,000.
- 1C - December 2015 in the amount of $90,000.
- 1D - June 2016 in the amount of $90,000.

The requested authorization for Supplemental Task Order 1E will allow NV Enterprises to continue performing electrical repair services through the end of the fourth option year.
**Fiscal Impact:**

Funding for the requested supplemental amount of $94,500 for electrical repair services is included in the FY 2017 and FY 2018 Operating budgets for Facilities Routine Maintenance.
Virginia Railway Express
Operations Board

Resolution
8F-06-2017

Authorization to Issue a Supplemental Task Order for Electrical Repair Services

WHEREAS, in April of 2013, the Operations Board approved a five-year contract with one base year and four one-year options for the Facilities Maintenance Services Contract with NV Enterprises; and,

WHEREAS, the Operations Board approved the first option year in April of 2014, the second option year in April of 2015, the third option year in April of 2016 and the fourth option year in April of 2017; and,

WHEREAS, routine electrical repairs, including lighting and conduit repairs, electrical circuit and component troubleshooting, and power restoration services at stations, parking lots, rail storage yards, and office spaces are necessary for safe operations; and,

WHEREAS, the Operations Board previously approved Task Order 1 for $75,000, Supplemental Task Order 1A for $90,000, Supplemental Task Order 1B for $90,000, Supplemental Task Order 1C for $90,000 and Supplemental Task Order 1D for $90,000; and,

WHEREAS, the amount expended for Task Order 1 and Supplemental Task Orders 1A, 1B, 1C and 1D, Electrical Repair Services, has approached the approved Task Order total; and,

WHEREAS, this Supplemental Task Order 1E will allow NV Enterprises to continue performing electrical repair services through the end of the fourth option year;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to issue Supplemental Task Order 1E under the Facilities Maintenance Contract to NV Enterprises for electrical repair services in an amount of $94,500 ($90,000, plus a 5% contingency of $4,500), for a total amount (Task Order 1 plus Supplemental Task Orders 1A, 1B, 1C, 1D and 1E) not to exceed $529,500.

Approved this 16th day of June 2017

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Paul Smedberg
Chairman

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Katie Cristol
Secretary
To: Chairman Smedberg and the VRE Operations Board

From: Doug Allen

Date: June 16, 2017

Re: Authorization to Execute a Contract Amendment for Planning and Engineering Consultant Services for the Broad Run Expansion

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to execute an amendment to VRE contract 015-001 with AECOM Technical Services, Inc. (AECOM), for planning, environmental and preliminary engineering services related to the Broad Run complex expansion in the amount not of $508,455, plus a contingency of $110,153, for a total of $618,607, increasing the contract amount from $3,972,085 to a total not to exceed $4,480,540.

Background:

On March 20, 2015, the VRE Operations Board authorized the award of a contract for planning and engineering consultant services for the Gainesville-Haymarket Extension to AECOM. The original scope of work for the RFP included Phase A, Project Planning, and Phase B, National Environmental Policy Act (NEPA) analysis and Preliminary Engineering (PE) design. Phase A resulted in the analysis of two concepts for expanding VRE Manassas Line service and facilities: implementation of a VRE extension along the Norfolk Southern Railway (NS) B Line and expansion of the existing Broad Run Station and Maintenance and Storage Facility (MSF). The VRE Operations Board recommended advancing the Broad Run Expansion alternative to Phase B NEPA evaluation and PE design at its March 17, 2017 meeting.

Detailed evaluation of multiple Gainesville-Haymarket Extension termini and expansion of the existing Broad Run complex were conducted in Phase A, including ridership forecasts, alternative site assessments, and capital and operating cost estimates. Extensive outreach
to elected officials, local jurisdiction staff, VRE riders, residents in the study corridor, and other stakeholders was conducted to inform the selection of the preferred alternative to advance to Phase B. Additionally, the Phase A analyses took longer to complete than the original twelve-month schedule. The timeframe required to select a preferred alternative has also delayed initiation of Phase B. Finally, the scope of the Phase B services has changed to the Broad Run Station and MSF rather than the B Line as was assumed in the original AECOM contract. Because of these factors, the AECOM contract budget for Phase A exceeded the original budget, leaving insufficient funds to complete the Phase B analyses. This contract amendment will provide additional funding for Phase B services and extend the contract schedule. AECOM has provided a price to complete the work for this contract amendment that is consistent with the independent cost estimate prepared by VRE staff. Funding sources for the AECOM contract are listed below. In addition to the AECOM contract, new work to complete the NEPA and PE associated with the Broad Run Expansion will be required by NS including design review and coordination, as well as specialty consultants to provide base mapping and aerial photography, preliminary hazard analysis, threat and vulnerability assessment, safety certification, and real estate assessment and acquisition services which will be completed under separate agreement or contracts also using the below funding sources. Those agreements will be brought to the VRE Operations Board for approval, where applicable, at a subsequent board meeting.

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<th>Broad Run Expansion Funding Sources</th>
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<tbody>
<tr>
<td>DRPT REF (FY2008)</td>
<td>$2,785,714</td>
</tr>
<tr>
<td>NVTA (FY2014)</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>VRE (FY2016, Capital Planning Fund)</td>
<td>$450,000</td>
</tr>
<tr>
<td>VRE (Capital Reserve)</td>
<td>$750,000</td>
</tr>
<tr>
<td>FY2009-2011 CMAQ grant for Broad Run parking expansion (estimated)</td>
<td>$675,000</td>
</tr>
<tr>
<td><strong>Total Committed Funding</strong></td>
<td><strong>$6,160,714</strong></td>
</tr>
</tbody>
</table>

**Fiscal Impact:**

Funding to complete the Broad Run Expansion alternatives analysis, NEPA documentation, and preliminary engineering is provided by the sources listed above. The VRE Operations Board approved $750,000 from the VRE Capital Reserve on March 17, 2017 as additional funding for the Broad Run Expansion, which will be included in the amended FY 2018 capital budget that will be presented to the Operations Board in December 2017 for approval and referral to the Commissions.
Virginia Railway Express
Operations Board

Resolution
8G-06-2017

Authorization to Execute a Contract Amendment for Planning and Engineering Consultant Services for the Broad Run Expansion

WHEREAS, VRE executed a contract with AECOM Technical Services, Inc. (AECOM) to provide planning and engineering consultant services for the Gainesville-Haymarket Extension; and,

WHEREAS, the Phase A Planning under that contract resulted in the analysis of two concepts for expanding VRE Manassas Line service and facilities: implementation of a VRE extension along the Norfolk Southern Railway (NS) B Line and expansion of the existing Broad Run Station and Maintenance and Storage Facility (MSF); and,

WHEREAS, the VRE Operations Board recommended advancing the Broad Run Expansion alternative to Phase B NEPA evaluation and PE design at its March 17, 2017 meeting; and,

WHEREAS, AECOM’s current contract budget is not sufficient to complete the Phase B analyses due to the more detailed technical evaluations and stakeholder outreach conducted in Phase A and the change in the preferred alternative to the VRE Broad Run complex;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to execute an amendment to VRE contract 015-001 with AECOM Technical Services, Inc. (AECOM), for planning, environmental and preliminary engineering services related to the Broad Run complex expansion in the amount of $508,455, plus a contingency of $110,153, for a total of $618,607, increasing the contract amount from $3,972,085 to a total not to exceed $4,480,540.

Approved this 16th day of June 2017

____________________________
Paul Smedberg
Chairman

____________________________
Katie Cristol
Secretary
To: Chairman Smedberg and the VRE Operations Board  
From: Doug Allen  
Date: June 16, 2017  
Re: Recommend Authorization to Submit a VRE Project to the Northern Virginia Transportation Authority for Funding Using the Outside the Beltway Concessionaire Payment

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 VRE Manassas Line Capacity Expansion and Real-Time Traveler Information Project to the Northern Virginia Transportation Authority (NVTA) for consideration to recommend to the Commonwealth Transportation Board (CTB) regarding the use of the projected $500 million I-66 Outside the Beltway Concessionaire Payment, make any necessary corrections to the project amounts or descriptions in the application, and execute all project funding agreements that may result from consideration of the projects.

Background:

The Commonwealth of Virginia’s Transform I-66 Outside the Beltway (OTB) project is a multimodal public private partnership between the Virginia Department of Transportation (VDOT), the Department of Rail and Public Transportation (DRPT) and a private partner, Express Mobility Partners, which when finalized, will bring a $2.3 billion investment in the I-66 corridor, to move more people while providing reliable trips and new multimodal travel options. The Commonwealth anticipates finalizing the I-66 OTB concession agreement with Express Mobility Partners in July 2017. The final agreement is anticipated to include a $500 million concessionaire payment for multimodal projects within the I-66 OTB corridor. The NVTA has been requested, by Secretary Layne, to coordinate with DRPT and VDOT to solicit eligible projects and make project recommendations to the CTB. The CTB will make a final decision on which projects to fund.
Projects recommended for consideration should have been included in a document that has undergone a public process. Projects must be in the I-66 OTB Corridor or demonstrate a clear and compelling nexus to the I-66 OTB Corridor. Projects must demonstrate the ability to start utilizing the requested funding by Toll Day 1 (expected to be mid-2022). Projects must demonstrate commitment of any required operation and/or maintenance funds. Projects must show benefit to users within the corridor.

The NVTA issued a call for projects on June 8, 2017. Candidate projects must be submitted by June 28, 2017. VRE has identified the **VRE Manassas Line Capacity Expansion and Real-Time Traveler Information Project**. The project expands capacity by increasing the number of seats and parking spaces that will be available to travelers who may otherwise drive on I-66, and it provides real-time information at key decision points to allow travelers to make the most appropriate choice of mode for their trip.

The project combines several currently unfunded or underfunded projects in the VRE CIP and will include necessary station, parking, and storage yard expansions at Broad Run, Manassas, and Manassas Park as well as rolling stock and track work to extend all Manassas Line trains to a minimum of eight cars (see attached map). The project includes provision of real-time VRE parking availability and train arrival information by installation of parking counters at the VRE parking facilities at the three stations, software upgrades to VRE Mobile, TRIP, and VMS, and coordination with the I-66 Integrated Corridor Management project to display at key decision points along I-66 and adjacent roads.

**Inflated to FY 2022 dollars,** the estimated total cost of the project in year-of-expenditure dollars is **$210,458,015** and the grant request is estimated to be **$187,508,015. The actual grant request will be adjusted to year-of-expenditure dollars, which should be slightly less.** The estimated costs of the project elements:

<table>
<thead>
<tr>
<th>Project Element</th>
<th>Estimated Total Cost (FY 2017$)</th>
<th>Estimated Total Cost (FY 2022$)</th>
<th>Committed Funding (FY 2017$)</th>
<th>Funding Requested (FY 2022$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broad Run Storage Track Expansion</td>
<td>63,200,000</td>
<td>75,061,775</td>
<td>--</td>
<td>75,061,775</td>
</tr>
<tr>
<td>Broad Run Station Parking &amp; Platform</td>
<td>26,400,000</td>
<td>31,354,919</td>
<td>12,100,000</td>
<td>19,254,919</td>
</tr>
<tr>
<td>South Manassas Third Track</td>
<td>17,100,000</td>
<td>20,309,436</td>
<td>--</td>
<td>20,309,436</td>
</tr>
<tr>
<td>Manassas Station Platform Extension</td>
<td>8,000,000</td>
<td>9,501,491</td>
<td>--</td>
<td>9,501,491</td>
</tr>
<tr>
<td>Manassas Park Parking Garage</td>
<td>23,700,000</td>
<td>28,148,166</td>
<td>2,500,000</td>
<td>25,648,166</td>
</tr>
<tr>
<td>Additional Railcars for Manassas Line Trains</td>
<td>31,500,000</td>
<td>37,412,119</td>
<td>5,250,000</td>
<td>32,162,119</td>
</tr>
<tr>
<td>Real-Time Traveler Information</td>
<td>7,300,000</td>
<td>8,670,110</td>
<td>3,100,000</td>
<td>5,570,110</td>
</tr>
<tr>
<td><strong>TOTAL COST</strong></td>
<td><strong>177,200,000</strong></td>
<td><strong>210,458,015</strong></td>
<td><strong>22,950,000</strong></td>
<td><strong>187,508,015</strong></td>
</tr>
</tbody>
</table>
Fiscal Impact:

The submission of a project application has no fiscal impact. If selected for funding, the funds would allow the VRE Projects to be completed on an accelerated schedule. Elements of this project are included in VRE’s Capital Improvement Program.

The proposed project follows the adopted Natural Growth scenario in System Plan 2040. As such, the incremental operating cost is minimal and could result in net additional revenue from passenger fares.
Virginia Railway Express
Operations Board

Resolution
8H-06-2017

Authorization to Submit a VRE Project to the
Northern Virginia Transportation Authority for Funding
Using the Outside the Beltway Concessionaire Payment

WHEREAS, the Northern Virginia Transportation Authority has been requested by Secretary Layne to coordinate with the Department of Rail and Public Transportation and Virginia Department of Transportation to solicit eligible projects and make project recommendations to the Commonwealth Transportation Board; and,

WHEREAS, the Northern Virginia Transportation Authority issued a call for projects on June 8, 2017 and candidate projects must be submitted by June 28, 2017; and,

WHEREAS, candidate projects must be in the I-66 Outside the Beltway Corridor or demonstrate a clear and compelling nexus to the I-66 Outside the Beltway Corridor;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby recommend the Commissions authorize the VRE Chief Executive Officer to submit, on behalf of the Commissions, the VRE Manassas Line Capacity Expansion and Real-Time Traveler Information Project to the Northern Virginia Transportation Authority for consideration to recommend to the Commonwealth Transportation Board regarding the use of the projected $500 million I-66 Outside the Beltway Concessionaire Payment, make any necessary corrections to the project amounts or descriptions in the application, and execute all project funding agreements that may result from consideration of the projects.

Approved this 16th day of June 2017

____________________________
Paul Smedberg
Chairman

____________________________
Katie Cristol
Secretary
To: Chairman Smedberg and the VRE Operations Board  
From: Doug Allen  
Date: June 16, 2017  
Re: VRE Positive Train Control (PTC) Implementation Plan Update  

The Rail Safety Improvement Act of 2008, as amended, mandates the implementation of Positive Train Control (PTC) by December 31, 2018. VRE has been working to implement the tenant railroad PTC requirements prior to the deadline. This work has been done in close coordination with our host railroads, which continue to work on implementing their required systems. To date, the following major project implementation milestones have been completed:

1. Submittal of a revised PTC Implementation Plan as required by the Fixing America’s Surface Transportation (FAST) Act  
2. Installation of the WRE I-ETMS® on-board equipment on all VRE locomotives and cab control cars  
3. Procurement of a 3rd party provider for a Hosted Back Office Service  
4. Development of training programs for operations and maintenance staff  
5. Survey for wayside Wi-Fi hotspots for software updates and crew initializations

The following project implementation milestones are targeted to start, or be completed, during the first half of CY 2017:

1. Project kick-off for the Hosted Back Office Service  
2. Procurement and installation of Wi-Fi hotspots  
3. Training of operations and maintenance staff  
4. Field qualification testing with VRE host railroads (CSX Transportation and Norfolk Southern Railway – currently targeted for the 2nd half of CY 2017)

VRE continues to submit quarterly and annual project implementation updates to the Federal Railroad Administration (FRA), as required by regulation, and coordinate project activities with our host railroads.
To: Chairman Smedberg and the VRE Operations Board  
From: Doug Allen  
Date: June 16, 2017  
Re: Crystal City Station Improvement Project Update

The Virginia Railway Express (VRE) Crystal City Station, one of the busiest in the system, was designed at the beginning of the VRE service. Ridership has grown significantly since that time, requiring longer and a greater number of VRE trains. The current platform is too short to efficiently serve our longer trains and only allows service from one track. These inefficiencies can cause an operational bottleneck in the middle of the most heavily-trafficked segment of the CSX Transportation RF&P Subdivision.

To help mitigate these inefficiencies, there is a need for a longer platform to accommodate full-length VRE trains that should be configured as an island platform serving two tracks. Additional key project goals include improved intermodal transfers to Metrorail, Metroway, local bus, and DOD Shuttles, enhanced bicycle and pedestrian connectivity, and minimizing community impacts. The improved station would also provide opportunities to better align VRE service with Crystal City's vision for growth.

There is an immediate need to progress this project. The Atlantic Gateway Fourth Track project, which is sponsored by the Commonwealth, has been funded through a recent Federal Fastlane grant and the design and engineering for the improved Crystal City Station project needs to be incorporated into the Fourth Track project.

The current phase of the VRE Crystal City Station Improvement Project is evaluating the location of the station and its access points, advancing the conceptual design through preliminary engineering, and environmental documentation. This work is funded through the Northern Virginia Transportation Authority and the Commonwealth of Virginia.

The current phase of the VRE Crystal City Station Improvement Project was initiated in December 2016. Three platform location options were identified, including the existing location and two other locations further south in Crystal City. An initial public meeting was held in March 2016 to introduce the options under consideration and the evaluation.
criteria that will be used for selecting the station location. Another round of public outreach is scheduled in June 2017, including another set of public meetings on June 7, focused on evaluating the proposed options.

Major factors used to evaluate the three station locations included connections to local and regional transportation networks, community and environmental impacts, and elements with significant cost impacts. The detailed evaluation and the summary rankings were shared with stakeholder organizations and the public for feedback.

Next steps involve collecting and incorporating input received into the evaluation, and selecting a single station location to advance into preliminary engineering and environmental documentation. Staff anticipates returning to the VRE Operations in July for endorsement of a preferred option for more detailed development and design.
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.

There were no purchases within the CEO’s reportable spending authority over $50,000 to $100,000 in May 2017.