To: Chairman Smedberg and the VRE Operations Board

From: Doug Allen

Date: November 20, 2017

Re: Authorization to Execute a Contract for Electronic Fuel Injector Assemblies

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to execute a contract with Progress Rail Locomotive, Inc. of LaGrange, IL for Electronic Fuel Injector Assemblies in the amount of $430,166, plus a 10% contingency of $43,016, for a total amount not to exceed $473,182.

Summary:

The Original Equipment Manufacturer of the VRE locomotives recommends the replacement of the Electronic Fuel Injector Assemblies after every three years of service. This contract will provide material for this recommended maintenance for VRE’s fleet of 20 locomotives.

Background:

VRE purchased 20 MP36PH-3C locomotives from MotivePower, Inc. which were delivered 2010-2011.

MotivePower, Inc. recommends replacing each locomotive’s electronic fuel injector assemblies after every three years of service to maintain optimal performance and the engine’s EPA Tier II certification. The locomotives are now six years old and it is time to remove and replace the electronic fuel injector assemblies for the second cycle.

On May 19, 2017, the VRE Operations Board approved a request to issue an Invitation for Bids (IFB) Electronic Fuel Injector Assemblies. A mailing list of five prospective Bidders was established for the solicitation to ensure access to adequate sources of services. On
September 14, 2017, an IFB was issued and bids were due on October 6, 2017. Three responses were received.

The bid tabulation is as follows:

<table>
<thead>
<tr>
<th>Bidders</th>
<th>Bid Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. PowerRail, Inc.</td>
<td>$336,000.00</td>
</tr>
<tr>
<td>2. Progress Rail Locomotive, Inc.</td>
<td>$430,166.00</td>
</tr>
<tr>
<td>3. MotivePower, Inc.</td>
<td>$438,080.00</td>
</tr>
</tbody>
</table>

The low bidder, PowerRail, Inc., submitted a bid proposing an alternate injector and not the brand name injector specified in the IFB. The descriptive literature for the alternate injector did not provide evidence the alternate injector complies with the Environmental Protection Agency (EPA) Tier 2 exhaust emissions certification.

The second lowest bidder, Progress Rail Locomotive, Inc. proposed the brand name injector as specified in the IFB. Therefore, VRE is requesting authorization to award to the second lowest bidder per the abstract above.

Progress Rail Locomotive, Inc. bid amount is approximately 26% percent less than the cost estimate for the Contract.

After review of the bids, it was determined Progress Rail Locomotive, Inc. was the lowest responsive-responsible bidder. The staff has certified the price is fair and reasonable.

**Fiscal Impact:**

Funding is provided through the current FY 2018 budget for locomotive repairs and maintenance. Funding for future years will be included in each proposed annual budget.
Virginia Railway Express
Operations Board

Resolution
9D-11-2017

Authorization to Execute a Contract for
Electronic Fuel Injector Assemblies

WHEREAS, the Original Equipment Manufacturer of the VRE locomotives recommends the replacement of the Electronic Fuel Injector Assemblies after every three years of service; and,

WHEREAS, it is time to remove and replace the electronic fuel injector assemblies for the second cycle; and,

WHEREAS, the VRE Operations Board authorized the CEO to issue an Invitation for Bids for Electronic Fuel Injector Assemblies in May 2017; and,

WHEREAS, a competitive solicitation process was conducted; and,

WHEREAS, it was determined Progress Rail Locomotive, Inc. was the lowest responsive-responsible bidder;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to execute a contract with Progress Rail Locomotive, Inc. of LaGrange, IL for Electronic Fuel Injector Assemblies in the amount of $430,166, plus a 10% contingency of $43,016, for a total amount not to exceed $473,182.

Approved this 17th day of November 2017

____________________________
Paul Smedberg
Chairman

____________________________
Katie Cristol
Secretary