To: Chairman Nohe and the VRE Operations Board  
From: Doug Allen  
Date: July 20, 2018  
Re: Authorization to Execute a Sole Source Contract for a Master Product Purchase and License Agreement with Meteorcomm LLC

**Recommendation:**

The VRE Operations Board is asked to authorize the Chief Executive Officer to execute a Sole Source Contract with Meteorcomm LLC for five years in the amount of $3,446,557, plus a 10% percent contingency of $344,656, for a total amount not to exceed $3,791,213.

**Summary:**

Meteorcomm is the sole provider of software necessary for communications between VRE locomotives/cab control cars and the host railroads’ wayside and back office systems, as required for the implementation and ongoing operations of Positive Train Control (PTC).

**Background:**

The Rail Safety Improvement Act (RSIA) of 2008 mandates the implementation of a PTC system by December 31, 2018. The PTC system must be designed to prevent the following:

1) Train-to-Train collisions  
2) Derailments caused by excessive speeds
3) Unauthorized incursions by trains onto sections of track where maintenance activities are taking place
4) Movement of a train through a track switch left in the wrong position

To implement PTC, VRE has executed several contracts with suppliers, consultants and service providers. In September 2013, the VRE Operations Board authorized a sole source contract with Wabtec for the purchase and installation of PTC I-ETMS® onboard equipment. In September 2017, following a competitive procurement process, VRE executed a contract for Hosted Back Office Services with ARINC. This system is required to provide crew initialization, train consist information, reporting of positive train stop brake applications, software updates, security key updates and interface with the nationwide PTC Multiprotocol Label Switching (MPLS) network.

Meteorcomm LLC developed and now provides the Interoperable Train Control Network (ITCnet®) platform for Class I railroads. As such, ITCnet® is the wireless communications platform required by VRE’s host railroads for interoperability. This action includes the purchase of locomotive/cab control car radio licenses for wayside communications with VRE host railroads, the purchase of locomotive/cab control car wireless licenses for communications via the onboard Train Management Computer and the hosted back office system provided by ARINC and finally, the purchase of licenses for communications required for messaging to and from the hosted back office system and our host railroads’ back office systems.

A sole source determination has been made in accordance with state and federal requirements and VRE Procurement Policies. Public notice of VRE’s intent to award a sole source contract to Meteorcomm will also be provided.

**Fiscal Impact:**

Funding for the initial implementation of PTC is included in the approved FY 2019 CIP under project AM-7 (Positive Train Control). The one-time software license fee of $187,444 noted in CY 2018 in the table below is considered part of PTC implementation and is funded as part of project AM-7. This project is supported by federal 5307 formula funds that require a 20% non-federal match. The non-federal match is funded through a combination of state mass transit funds (12.8%) and VRE jurisdictional capital contributions (7.2%).

All other costs included in this contract are or will be funded through VRE’s operating budget. The approved FY 2019 Operating Budget includes sufficient funding under PTC Operations for the costs that will be incurred under this contract in FY 2019. Funding for future annual PTC license renewals will be included in subsequent operating budgets.
The table below shows the actual CY 2018 and estimated CY 2019-CY 2022 fees by license type.

<table>
<thead>
<tr>
<th>License</th>
<th>CY 2018</th>
<th>CY 2019</th>
<th>CY 2020</th>
<th>CY 2021</th>
<th>CY 2022</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locomotive/ Cab Control Car Radio (41 + 3 spares each)</td>
<td>$181,500</td>
<td>$190,575</td>
<td>$200,104</td>
<td>$210,109</td>
<td>$220,614</td>
<td>$1,002,902</td>
</tr>
<tr>
<td>Train Management Computer (41 + 3 spares each)</td>
<td>397,232</td>
<td>417,094</td>
<td>437,949</td>
<td>459,846</td>
<td>482,838</td>
<td>$2,194,959</td>
</tr>
<tr>
<td>Back Office (Locomotive Hosted Only) (1 each)</td>
<td>*187,444</td>
<td>14,211</td>
<td>14,922</td>
<td>15,668</td>
<td>16,451</td>
<td>$248,696</td>
</tr>
<tr>
<td>Total:</td>
<td>$766,176</td>
<td>$621,880</td>
<td>$652,975</td>
<td>$685,623</td>
<td>$719,903</td>
<td>$3,446,557</td>
</tr>
</tbody>
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*One-time software license implementation fee
Virginia Railway Express
Operations Board

Resolution
8A-07-2018

Authorization to Execute a Sole Source Contract for a Master Product Purchase and License Agreement with Meteorcomm LLC

WHEREAS, Positive Train Control (PTC) was mandated by Congress in the Rail Safety Improvement Act of 2008 for all railroads that carry passengers or hazardous materials; and,

WHEREAS, VRE has worked with CSX, Norfolk Southern and Amtrak (host railroads) to determine the type of equipment and systems to install on VRE locomotives and cab control cars to meet the mandate and ensure system interoperability with the host railroads; and,

WHEREAS, VRE requires various software licenses for the ITCnet® wireless communications platform provided solely by Meteorcomm LLC in order for VRE locomotives, cab control cars, and the hosted back office system to communicate with the host railroads per the mandate; 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 Meteorcomm LLC is the only supplier able to provide the ITCnet® wireless communications platform, 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 Meteorcomm LLC for ITCnet® implementation and annual license renewals for five years, in the amount of $3,446,557, plus a 10% percent contingency of $344,656, for a total amount not to exceed $3,791,213.

Approved this 20th day of July 2018

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Martin Nohe
Chairman

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Maureen Caddigan
Secretary