To: Chairman Nohe and the VRE Operations Board  
From: Doug Allen  
Date: November 16, 2018  
Re: Authorization to Issue an Invitation for Bids for Delivery of Diesel Fuel for VRE Locomotives

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to issue an Invitation for Bids (IFB) for the delivery of diesel fuel to the Broad Run and Crossroads Maintenance and Storage Facilities for VRE’s fleet of locomotives.

Summary:

VRE contracts to have diesel fuel delivered and dispensed on weekdays from Contractor’s trucks directly into the locomotives. The final option year of the current contracts will expire on June 30, 2019, and therefore VRE seeks to solicit bids for this service so new contracts will be in place for fuel delivery to commence on July 1, 2019.

Background:

In May 2014, VRE awarded contracts to Griffith Energy Services for delivery of diesel fuel to Broad Run and to James River Solutions for delivery of diesel fuel to Crossroads, with deliveries beginning July 1, 2014. The final option year of these contracts will expire on June 30, 2019. Therefore, VRE seeks to solicit bids for this service so new contracts will be in place for fuel delivery to commence on July 1, 2019.
Invitation for Bids is the preferred and normal method of procurement when seeking bids to provide goods and services at a firm-fixed price. This method is utilized when there is a complete, adequate, precise specification or purchase description. Award is made based on price alone without discussions or negotiations with the Bidders.

Upon receipt of the bids, staff will return to the Operations Board to request authorization to award the contracts. It is anticipated two contracts will be awarded as a result of this solicitation, a contract for deliveries to Broad Run and a second contract for deliveries to Crossroads.

The contracts will be for a base period of one year with the option to extend for four additional one-year periods, not to exceed five years. Both contracts will be structured to allow VRE to lock in future fixed prices for some of its fuel. VRE continues to work with a consultant to assist in this process to reduce cost volatility.

**Fiscal Impact:**

There is no fiscal impact associated with the issuance of this solicitation. Funding for the resulting contract will be provided for in the FY 2020 budget for mechanical operations. Funding for future years will be included in each proposed annual budget.
Virginia Railway Express  
Operations Board  

Resolution  
8A-11-2018  

Authorization to Issue an Invitation for Bids for  
Delivery of Diesel Fuel for VRE Locomotives  

WHEREAS, the contracts for delivery of diesel fuel for VRE’s locomotives will expire on June 30, 2019; and,  

WHEREAS, to avoid an interruption in service it is necessary to solicit bids prior to expiration of the current fuel delivery contracts; and,  

WHEREAS, the contracts will be structured to allow VRE to lock in future fixed prices for fuel; and,  

WHEREAS, a solicitation for these services shall be initiated;  

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to issue an Invitation for Bids for the delivery of diesel fuel to the Broad Run and Crossroads maintenance and storage facilities for VRE’s fleet of locomotives.  

Approved this 16th day of November 2018  

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Martin Nohe  
Chairman  

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Maureen Caddigan  
Secretary
Agenda Item 8-B
Consent Item

To: Chairman Nohe and the VRE Operations Board
From: Doug Allen
Date: November 16, 2018
Re: Approval of Correction to Resolution 9H-09-2017

Recommendation:
The VRE Operations Board is asked to approve a correction to Resolution 9H-09-2017 (Authorization to Issue a Supplemental Task Order for the Crystal City Station Improvement Project). The correction will update the not-to-exceed amount for Vanasse Hangen Brustlin, Inc. (VHB) from $370,285 to $376,285.

Summary:
On September 15, 2017, the VRE Operations Board authorized the Chief Executive Officer to issue a supplemental task order to VHB for planning and design services related to the Crystal City Station Improvement Project. Due to a typographic error, the total not-to-exceed amount included in the approved Board resolution is incorrect and needs to be updated.

Background:
Prior to the Board’s action on September 15, 2017, the existing authorization for VHB’s planning and design services on the Crystal City Station Improvement Project was $278,767. The supplemental task order for additional planning and design services is for a total amount of $97,518, inclusive of a 10% contingency. These two figures are shown correctly in Resolution 9H-09-2017. The sum of these two figures is the new not-to-
exceed amount, which is $376,285. However, due to a typographic error, the not-to-exceed amount was shown as $370,285.

**Fiscal Impact:**

This correction has no fiscal impact, as the funding for the Crystal City planning and design efforts has already been approved and programmed. However, this correction will allow VRE to utilize the total Board-authorized amount of the supplemental task order.
Virginia Railway Express
Operations Board

Resolution
8B-11-2018

Approval of Correction to Resolution 9H-09-2017

WHEREAS, the VRE Operations Board approved Resolution 9H-09-2017 (Authorization to Issue a Supplemental Task Order for the Crystal City Station Improvement Project) on September 15, 2017; and,

WHEREAS, the text of Resolution 9H-09-2017 includes a typographic error such that the total Board-authorized not-to-exceed amount is incorrect; and,

WHEREAS, a correction to the resolution is needed for VRE to utilize the full amount of the Board-authorized supplemental task order;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby approve a correction to Resolution 9H-09-2017 to update the total not-to-exceed amount from $370,285 to $376,285.

Approved this 16th day of November 2018

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Martin Nohe
Chairman

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Maureen Caddigan
Secretary
To: Chairman Nohe and the VRE Operations Board

From: Doug Allen

Date: November 16, 2018

Re: Authorization to Forward the FY 2018 Audited Financial Statements and Auditor’s Report to the Commissions

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**Recommendation:**

The VRE Operations Board is being asked to accept the FY 2018 Comprehensive Annual Financial Report (CAFR) and associated information from the auditors and to authorize the Chief Executive Officer to forward this information to the Commissions for their consideration.

**Background:**

The audit of VRE’s FY 2018 financial statements has been completed and the auditors have issued an unmodified opinion. Their opinion letter states the VRE statements, in all material respects, fairly and accurately present the financial position of the organization. This opinion is the best outcome of a financial audit.

The FY 2018 audit was conducted by the firm of PBMares, LLP. PBMares has served as the auditor for VRE, PRTC and NVTC for the last several years. A new three-year contract for the audits of the VRE, PRTC and NVTC financial statements was approved in April 2015, with four years of optional renewals.

The audited financial statements and associated reports were forwarded to all members of the Operations Board prior to the November 16 meeting. The auditors also met with
the VRE Audit Committee on November 16, 2018, prior to the Operations Board meeting to review the statements and their opinion.

**Fiscal Impact:**

There is no financial impact to the VRE Operating Budget from the presentation of these audited financial statements.
Virginia Railway Express
Operations Board

Resolution
9A-11-2018

Authorization to Forward the FY 2018 Audited Financial Statements and Auditor’s Report to the Commissions

WHEREAS, the VRE Operations Board has contracted with the firm of PBMares, LLC for the audit of its financial statements; and,

WHEREAS, the audit of the VRE FY 2018 financial statements has been completed; and,

WHEREAS, the auditors have issued an unmodified opinion that the VRE statements, in all material respects, fairly and accurately present the financial position of the commuter rail operation;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board accepts the FY 2018 Comprehensive Annual Financial Report (CAFR) and associated information from the auditors and hereby authorizes the Chief Executive Officer to forward this information to the Commissions for their consideration.

Approved this 16th day of November 2018

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Martin Nohe
Chairman

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Maureen Caddigan
Secretary
To preview the CAFR document please log on to:
https://www.vre.org/about/board/board-agenda-minutes/november
Agenda Item 9-B
Action Item

To: Chairman Nohe and the VRE Operations Board
From: Doug Allen
Date: November 16, 2018
Re: Recommend Approval of the 2019 VRE Legislative Agenda

Recommendation:

The VRE Operations Board is asked to recommend the Commissions approve the 2019 Legislative Agenda and authorize the Chief Executive Officer to actively pursue the elements set forth in the attached document.

Background:

Annually, VRE prepares a Legislative Agenda to communicate VRE’s legislative priorities in coordination with the Commissions and member jurisdictions. The proposed Legislative Agenda, which addresses State and Federal issues, is attached.

Fiscal Impact:

There is no direct funding impact associated with adopting this agenda item.
Virginia Railway Express
Operations Board

Resolution
9B-11-2018

Recommend Approval of the 2019 VRE Legislative Agenda

WHEREAS, VRE is an essential part of regional transportation network for the Northern Virginia and DC Metropolitan region; and,

WHEREAS, VRE serves residents throughout the Commonwealth to provide a meaningful public transportation option; and,

WHEREAS, it is essential for VRE to educate and advocate for desired legislative/regulatory outcomes with members of Congress and their staff, with staff of federal entities, in the Virginia General Assembly and with the Governor and his administration; and,

WHEREAS, VRE has coordinated its Legislative Agenda with the staffs of the Commissions and member jurisdictions;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby recommend the Commissions approve the 2019 VRE Legislative Agenda and authorize the Chief Executive Officer to actively pursue the elements set forth in the attached document.

Approved this 16th day of November 2018

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Martin Nohe
Chairman

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Maureen Caddigan
Secretary
State Legislative Issues:

**Commuter Rail Operating and Capital (C-ROC) Fund/Dedicated Funding**

- The creation of the C-ROC fund and annual $15 million allocation of regional gas tax revenue was a clear acknowledgement of the critical role VRE plays in the regional transportation system and is an important first step in securing long term, dependable funding to maintain and increase commuter rail service.

- Staff is conducting an in-depth financial analysis that will inform how much additional funding is needed for VRE’s financial security and which capital projects would best be considered for C-ROC funding in VRE's Capital Improvement Program.

**Action:**

- Communicate to key legislators, administration officials, and staff members our appreciation for the creation and funding of C-ROC along with explaining how C-ROC funding is likely to be used in the short term based on the financial analysis.

- Defend against any attempts to decrease the $15 million annually allocated to C-ROC.

**Future Transportation Funding**

- The Commonwealth’s Transit Capital Funding Program is facing a 40 percent decrease in revenues leaving an unfunded need of more than $130 million annually in transit capital funding according to the Transit Capital Projects Revenue Advisory Board’s recent report to the General Assembly. VRE relies on the Transit Capital Funding Program to match Federal funding for state-of-good-repair and expansion projects.

- VRE has developed a Financial Plan for implementation of its System Plan 2040 that identifies future capital and operating requirements needed to implement the plan. A key finding in the Financial Plan is the need for increased funding, even without any major expansion of service.

- VRE has developed a Financial Plan for implementation of its System Plan 2040, which is currently being updated, that identifies future capital and operating requirements needed to implement the plan. A key finding in the Financial Plan is the future need for increased funding, beyond the new $15M in C-ROC, especially for any major expansion of service.
  - Note: the new financial analysis referenced above in State Legislative Issues is currently underway and will include updated assumptions and elements not present in the original analysis (e.g. C-ROC, SmartScale, I-66 Concessionaire funding, etc.) An updated Financial Plan will be available in the Fall allowing us to update the “needs” above.

**Action:**

- VRE will join other transit providers and stakeholders in seeking future sustainable funding sources to shore up the Commonwealth’s Transit Capital Funding Program.

- Stress the necessity that the General Assembly identify and secure long-term, dependable, state-wide funding sources for future commuter rail operating and capital costs.

- Advocate for the creation of an informal working group of House Appropriations and Senate Finance staff to investigate possible revenue sources for future additional dedicated commuter rail funding.
**Long Bridge Corridor Project**

- The expansion of the Long Bridge is critical not just to VRE’s future, but to the long-term operation of freight and intercity passenger rail along the East Coast. VRE is working closely with other stakeholders – including CSX, DRPT, DDOT, and federal agencies on this project.

- Preliminary design and environmental work on the Long Bridge Corridor project is nearing completion and work on final design, which is already partially funded, will soon begin.

- Federal funding for the construction phase of the project will be an essential component of a complete funding package. It is critical for stakeholders to formulate a management and funding plan for the construction and operation of an expanded Long Bridge corridor as part of any request for federal funding.

**Action:**

- Support and participate in the coalition of public and private stakeholders in the formulation of a management and funding plan for the expanded Long Bridge corridor.
Federal Legislative and Regulatory Issues:

**Federal Grant Programs**

- Congress continues its support of Federal programs that fund transit capital investments, including commuter rail projects, through the Appropriations process.
- These discretionary programs include BUILD (formally TIGER) grants and Capital Investment Grants such as New Starts and Core Capacity.

**Action:**

- Work with USDOT, U.S. Congressional delegation, relevant U.S. Congressional Committees, and regional stakeholders to educate and secure Administration and Congressional support for discretionary grant applications submitted by VRE.

**Surface Transportation Board (STB) Authority**

- In August 2018, the STB issued its Decision in response to Chicago Metra’s Petition filed in April 2018 confirming that the: 1) Board’s jurisdiction extends to railroad properties previously owned by Chicago Union Station (CUS) and 2) Board may prescribe terms for Metra’s use of CUS and mediate disputes concerning the use of CUS between Metra and the current owner of CUS, Amtrak. The Board, however, denied part of the Petition requesting current relief (in Metra’s negotiations with Amtrak on a new lease/access agreement), determining that such an action would be premature. The Board, however, also stated it will provide guidance to the affected parties on issues that they should address in the event a similar petition is filed in the future.
- This ongoing matter could set precedent that would impact VRE’s access agreements at Washington Union Station.

**Action:**

- VRE submitted a letter of support for Metra’s petition.
- Educate Congress and the Administration on the imperative of preserving STB’s jurisdiction over VRE, and other common carrier commuter railroads.
- Monitor industry, Congressional and Administration efforts affecting the ability of VRE, and similar commuter railroads, to seek relief from the STB when negotiating with Amtrak.

**FAST Act Reauthorization**

- The Fixing America’s Surface Transportation Act (FAST Act), enacted in 2015, provides policies and funding levels for our nation’s Federal-aid Highway (and Mass Transit) programs including passenger rail, highway safety, motor carrier safety, and hazardous materials programs. The FAST Act expires September 30, 2020.

**Action:**

- VRE will partner with other stakeholders to advocate for appropriate funding levels and policies to support commuter rail and mass transit.
Watchlist: the following issues are being monitored for potential impacts to VRE.

**Positive Train Control (PTC) Implementation**
- The Surface Transportation Extension Act of 2015 provides railroads an extension until at least December 31, 2018, to implement PTC systems.

**FAST Act Rulemaking**
- On December 4, 2015, the FAST Act was signed into law which includes new policies and programs, and changes to existing programs, that require various agencies to go through the federal rule making process.

**System Safety Program Final Rule**
- Passenger rail service providers have until December 4, 2018 to develop and implement a system safety program. This deadline extension announced on November 29, 2017, was the fifth issued by the Federal Railroad Administration and it’s possible there will be another. There is still not clear guidance on how to deal with aspects related to host/tenant relationships.

**USDOT Rulemaking**
- On August 15, 2017, the President signed an Executive Order on “Establishing Discipline and Accountability in the Environmental Review and Permitting Process for Infrastructure.” VRE will track and comment on proposed guidance, rulemakings, or requests for comment from USDOT helping to advance regulatory reforms applicable to VRE’s operations and Capital Improvement Program.

**Amtrak On-Time-Performance**
- The Passenger Rail Investment and Improvement Act (PRIIA) of 2008 Sections 207(a) and 213(a), intended to improve the on-time performance (OTP) of Amtrak passenger trains by allowing host freight railroads to be fined if found responsible for Amtrak delays.
- In service areas where host freight railroads have both Amtrak and commuter rail tenants, the host railroads could prioritize Amtrak trains over commuter rail trains to avoid fines. In doing so, commuter services like VRE face the possibility of substantial degradation of service due to these dispatching decisions.
- Rulemaking continues for PRIIA of 2008 Section 207(a), including who has the authority to set OTP metrics and enforcement of the regulation.
To: Chairman Nohe and the VRE Operations Board  
From: Doug Allen  
Date: November 16, 2018  
Re: Authorization to Issue an MEC VI Task Order for National Transit Database and Asset Management Reporting, Phase IV

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to issue a Task Order under Mechanical Engineering Consulting Services Contract VI (MEC VI) to STV Incorporated for National Transit Database and Asset Management Reporting, Phase IV, in the amount of $411,553, plus a 10% contingency of $41,156, for a total not to exceed $452,709.

Summary:

This MEC VI Task Order is for further developing, implementing and executing processes for VRE’s Transit Asset Management (TAM) Plan and National Transit Database (NTD) reporting compliance.

Background:

VRE has completed several initiatives resulting in strategies for managing VRE rolling stock and facilities assets and maintaining these assets in a continuous state of good repair. The Federal Transit Administration (FTA) requires VRE develop methodologies and processes to perform ongoing assessments of VRE rolling stock and facilities, manage and perform State of Good Repair projects, and report transit asset management information.
VRE has asked STV to assist in developing the appropriate information, methodologies and processes for the TAM Plan and reporting to the NTD as outlined in the Final FTA Rule. This rule originated from the Moving Ahead for Progress in the 21st Century (MAP-21) federal transportation bill.

STV Incorporated has developed the framework and standardized processes to perform ongoing asset assessments, developed tools to prioritize funding for State of Good Repair projects consistent with the Transit Economics Requirements Model (TERM) and developed processes for reporting asset management information to the FTA via the NTD.

The scope of services for this Task Order is to continue ongoing transit asset management initiatives per federal requirements stemming from the MAP-21 federal transportation legislation. Specifically, STV has been asked to assist VRE in further developing VRE’s asset management program. The work builds on VRE’s recently developed first-ever TAM Plan. The work includes development of separate life cycle maintenance plans for VRE’s revenue vehicles and facilities, enhancements to VRE’s internet-based asset management tool, and continued support related to internal and MPO coordination as well as required FTA reporting through the next year.

**Fiscal Impact:**

Funding is provided through the Equipment Asset Management Program (EAM) funded through an annual allocation of FTA 5337 (State of Good Repair) grants.
Virginia Railway Express  
Operations Board  

Resolution  
9C-11-2018  

Authorization to Issue an MEC VI Task Order for National Transit Database and Asset Management Reporting, Phase IV  

WHEREAS, VRE has a contract with STV Incorporated for mechanical engineering consulting services (MEC) VI; and,  

WHEREAS, VRE has completed several initiatives resulting in strategies for managing VRE rolling stock and facilities assets and maintaining these assets in a continuous state of good repair; and,  

WHEREAS, VRE is required by the Federal Transit Administration to develop methodologies and processes to perform ongoing assessments of VRE rolling stock and facilities; manage and perform State of Good Repair projects and report transit asset management information; and,  

WHEREAS, STV Incorporated has developed the framework and standardized processes to perform ongoing asset assessments as well as tools to prioritize funding for State of Good Repair projects consistent with the Transit Economics Requirements Model (TERM); and,  

WHEREAS, STV Incorporated has developed processes for reporting asset management information to the Federal Transit Administration via the Nation Transit Database;  

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to issue a MEC VI Task Order to STV Incorporated for further developing, implementing and executing processes for VRE’s Transit Asset Management Plan (TAM) and National Transit Database (NTD) reporting compliance in the amount of $411,553, plus a 10% contingency of $41,156, for a total not to exceed $452,709.  

Approved this 16th day of November 2018  

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Martin Nohe  
Chairman  

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Maureen Caddigan  
Secretary
Agenda Item 9-D
Action Item

To: Chairman Nohe and the VRE Operations Board
From: Doug Allen
Date: November 16, 2018
Re: Authorization to Amend the Contract for the Rehabilitation of Wheelsets and Traction Motor Assemblies

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to amend the contract with UTCRAS, LLC of Morton, PA for the Rehabilitation of Wheelsets and Traction Motor Assemblies to increase the amount authorized of $473,367 (base year) by $1,420,101 (three option years,) to a total amount not to exceed $1,893,468, for the base year and three option years.

Summary:

In July 2017, following a competitive procurement process, the Operations Board authorized VRE to execute a contract with UTCRAS for the Rehabilitation of Wheelsets and Traction Motor Assemblies in the amount of $430,334, plus a 10% contingency of $43,033, for a total amount not to exceed $473,367 for a base year and three option years. The authorized amount of $473,367 was only for the base year.

This amendment increases the authorization amount to allow work to continue for the three option years of the contract, with the CEO exercising the options at his discretion.
**Background:**

Over the course of operations, wheelsets and traction motors incur normal wear and tear requiring regular maintenance and occasional replacement to support safe and efficient operations.

The scope of work for this contract includes two major services of rehabilitation: wheelsets and traction motor assemblies. Wheelset services include replacement, repair, or overhaul of complete wheelsets consisting of axles, wheels, journal bearings, and journal boxes. Rehabilitation of traction motor assemblies includes one or a combination of the following services: wheel renewal (new wheels), wheel reprofile (wheel trim), combo disassemble/reassemble, and traction motor repair.

The amount being requested for this amendment will support ongoing preventive maintenance of the wheelsets and traction motor assemblies for the three option years of the contract.

**Fiscal Impact:**

The approved FY 2019 operating budget for repair and maintenance of railcars and locomotives includes funding for this activity. Funding for future years will be included in each proposed annual operating budget.
Virginia Railway Express
Operations Board

Resolution
9D-11-2018

Authorization to Amend the Contract for the Rehabilitation of Wheelsets and Traction Motor Assemblies

WHEREAS, VRE rail cars and locomotives require traction motor/wheel/axle assembly services; and,

WHEREAS, VRE awarded a contract to UTCRAS to provide rehabilitation of wheelsets and traction motor assemblies; and,

WHEREAS, staff is requesting an increase in the contract authorization for a total amount not to exceed $1,893,468, for the base year and three option years of the contract;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to amend the contract with UTCRAS, LLC of Morton, PA for the Rehabilitation of Wheelsets and Traction Motor Assemblies to increase the amount authorized of $473,367 (base year) by $1,420,101 (three option years,) to a total amount not to exceed $1,893,468, for the base year and three option years.

Approved this 16th day of November 2018

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Martin Nohe
Chairman

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Maureen Caddigan
Secretary
To: Chairman Nohe and the VRE Operations Board

From: Doug Allen

Date: November 16, 2018

Re: Authorization to Execute a Contract for Facility Security Services

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to execute a contract with Sentry Force Security, LLC of Fairfax, VA for Facility Security Services in the amount of $2,822,511, plus a 10% contingency of $282,251, for a total amount not to exceed $3,104,762, for a base year and four option years, with the CEO exercising the option years at his discretion.

Summary:

This contract will provide private security officers to continuously patrol VRE’s maintenance and storage facilities as well as support other projects where security officers are needed, such as construction sites.

Background:

On March 16, 2018, the VRE Operations Board authorized the Chief Executive Officer (CEO) to issue a Request for Proposals (RFP) for Facility Security Services. An RFP is the preferred method of procurement for this solicitation because there are different approaches to the desired service and an evaluation of technical merit is required. Upon completion of evaluation of proposals, negotiations were conducted with the highest ranked firms deemed to be fully qualified and best suited among those submitting proposals, based on the factors specified in the evaluation criteria. Price was considered in
context of technical performance for this service to achieve a best value determination. After receipt of the best and final offer from the top-ranked firm, a cost analysis is performed to compare the proposed cost with the independent cost estimate to determine the proposed cost is fair and reasonable.

A solicitation for competitive proposals for Facility Security Services was necessary because the scope of work included requirements for methodologies to support safety and security training, staffing accountability and incident report management. Therefore, the approach to these requirements must be evaluated to ensure they are performed in a manner which presents the best value to VRE.

A mailing list of six prospective Offerors was established for the solicitation to ensure access to adequate sources of services. On August 13, 2018, an RFP was issued, and proposals were due on September 20, 2018. Ten responses were received.

Evaluation of the proposals received was performed by the Technical Evaluation Team (TET), which consisted of four VRE staff members.

The TET met to discuss and evaluate the proposals using the following criteria:

- Overall project approach
- Site Management Plan
- Capability and expertise of the proposed company
- Knowledge and qualifications of the proposed key personnel
- Cost for services

Interviews were conducted with the two highest-ranked firms. It was determined the proposal from Sentry Force Security, LLC was technically compliant and was selected to be the best value for the project.

Below is the final ranking of companies who submitted a proposal for Facility Security Services:

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<thead>
<tr>
<th>Offerors</th>
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<tr>
<td>1. Sentry Force</td>
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<td>2. SOS Security</td>
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<tr>
<td>3. Securcorp</td>
</tr>
<tr>
<td>4. Allied Universal</td>
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<tr>
<td>5. US Security</td>
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<tr>
<td>6. United American</td>
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</tbody>
</table>
The Offerors’ proposed pricing was in the range of $20.00 per hour to $50.00 per hour. Complete pricing information may not be publicly disclosed until after execution of a contract. VRE staff has certified the highest ranked Offeror’s price is fair and reasonable based on the cost estimate for this project.

The contract will be for a base year and four option years, with the VRE CEO exercising the option years at his discretion. This authorization allows work to begin.

**Fiscal Impact:**

The FY 2019 operating budget for station and facility security and yard security includes funding of $493,546 for the first partial year of this activity. Funding for future years will be included in each proposed annual budget.
Virginia Railway Express
Operations Board

Resolution
9E-11-2018

Authorization to Execute a Contract for Facility Security Services

WHEREAS, VRE remains committed to protecting passengers, employees and equipment from security risks at VRE facilities; and,

WHEREAS, on March 16, 2018, the VRE Operations Board authorized the CEO to issue an RFP for Facility Security Services in anticipation of the expiration of the current contract in November 2018; and,

WHEREAS, on August 13, 2018, a Request for Proposal was issued; and,

WHEREAS, on September 20, 2018, ten (10) proposals were received; and,

WHEREAS, the Technical Evaluation Team determined the proposal from Sentry Force Security of Fairfax, Virginia to be technically compliant and was selected to be the best value; and,

WHEREAS, the Operations Board’s approval of this procurement does not represent its independent assessment of the candidate’s responses to the solicitation or of each step in the procurement process followed by staff; rather, the Operations Board’s action is premised upon its conclusion, after review of the information before it, that the process used by the staff was in accordance with law and that the staff recommendation appears to be reasonable;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to execute a contract with Sentry Force, LLC of Fairfax, Virginia for Facility Security Services in the amount of $2,822,511, plus a 10% contingency of $282,251, for a total amount not to exceed $3,104,762. The contract will be for a base year and four option years, with the VRE CEO exercising the option years at his discretion.

Approved this 16th day of November 2018

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Martin Nohe
Chairman

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Maureen Caddigan
Secretary
To: Chairman Nohe and the VRE Operations Board  
From: Doug Allen  
Date: November 16, 2018  
Re: FY 2020 Budget Update  

Summary:  
The preliminary FY 2020 budget presented to the Operations Board in September included a funding gap of $1.9 million. As a result of revisions since that presentation, the funding gap in the FY 2020 budget has been reduced to approximately $0.4 million. VRE staff will continue to refine the budget assumptions and will present a balanced budget to the CAO Task Force in early December. Operations Board adoption of the budget is scheduled for December 14, 2018.

Introduction:  
Staff presented the preliminary FY 2020 VRE Operating and Capital Budget to the Operations Board in September. Of the proposed $90.6 million operating budget (which includes $6.3 million for debt service and operating reserve), $1.9 million of projected expenses did not have an identified funding source. The budget includes a proposed 3% average increase in passenger fares.

Since the September presentation, VRE finance and operations staff have revised key assumptions in the budget based on updated information and projections, reviews of proposed departmental expenditures, and identification of one-time expenses. As of early November, the budget gap in the preliminary FY 2020 budget has been reduced to approximately $0.4 million.
Operating Budget Revisions:

The material revisions to the preliminary FY 2020 budget since September are summarized below. Revisions which caused a net increase in the budget gap (i.e., higher expense or lower revenue) are presented first, followed by those revisions that generated a net reduction in the budget gap.

Ridership and Revenue: Based on weaker ridership in the first quarter of FY 2019, projected Average Daily Ridership (ADR) for FY 2020 has been reduced from 19,000 to 18,500. However, many passengers are continuing to purchase multi-ride tickets while riding less frequently, and total fare revenue to date in FY 2019 is less than one percent below budget, leading to an increase in the average fare paid per trip. Therefore, in addition to lowering the ADR projection, the average fare projection for FY 2020 has been increased from $8.85 to $8.95. These changes lead to a net reduction in total fare revenue of $690,000 from the September preliminary budget. Staff will continue to monitor ridership in November and will update projections for the final recommended budget in December as needed.

Norfolk Southern Access Fees: Based on the updated Association of American Railroads (AAR) rate, the gross expected increase in access fee expenses for NS is $90,000. However, after accounting for expected federal and state reimbursements, the net increase to the FY 2020 budget gap is $14,400.

Salary and Fringe Updates: Salary and fringe updates totaling $134,000 were added to the FY 2020 budget to reflect the most current staffing and payroll levels for VRE’s direct employees.

Divisional Budget Reductions: VRE finance staff held individual budget meetings with representatives of all VRE’s operating divisions during October. Total budget reductions of $1.35 million were achieved during these meetings through a comprehensive review of the initial proposed budgets. In particular, costs for consulting and other contractual expenses were right-sized based on prior years’ experience and a detailed forecasting of FY 2020 needs.

State Operating Assistance: VRE finance staff have been working closely with staff from DRPT and members of the Transit Service Delivery Advisory Committee (TSDAC) on the implementation of the transit service funding reforms adopted earlier this year by the General Assembly. Although a final recommendation on the allocation of state operating assistance has not yet been reached, VRE finance staff are confident the final outcome will not include a significant reduction in VRE’s operating assistance as was contemplated in some earlier scenarios. Therefore, the projected state operating assistance has been increased by $500,000 over the September preliminary budget level.

One-Time Expenses: $400,000 in one-time costs associated with station painting can be funded using prior year surplus. Use of prior year surplus to fund this cost reduces the FY 2020 budget gap by $400,000.
Capital:

The six-year capital plan is still under review but has not changed significantly since the version presented to the Operations Board in September and the Capital Committee in October, with most revisions being related to updated project schedules and small refinements to project cost estimates.

Based on discussions with the Operations Board and Capital Committee, the L’Enfant Station and Fourth Track project is tentatively the top candidate to receive the initial programming allocation of FY 2019 and FY 2020 Commuter Rail Operating and Capital (C-ROC) funds. The recommended budget in December will finalize the evaluation criteria (as required in the C-ROC agreement between the Commissions) and prioritize the currently unfunded projects in the CIP against those criteria.

Closing the Remaining Operating Gap:

VRE staff will continue to revise and update the budget in conjunction with the CAO Task Force. The following updates to revenues and expenses are expected to be considered to close the remaining budget gap:

- Contractual increases in train operations and maintenance of equipment costs are based on changes in the Consumer Price Index (CPI). The relevant CPI data will be available in mid-November. The preliminary budget is based on an assumed 4% increase, but the actual figure is expected to be lower, which will be reflected in the final budget.
- Further review of ridership and fare revenue trends in November. Average daily ridership in October was approximately 18,650, an improvement over ridership during the first three months of the fiscal year.
- Further information from the ongoing TSDAC process that may provide clarity on expected state operating assistance in FY 2020 (and beyond).
- Ongoing review of departmental operational costs and potential one-time expenditures.
- As a final measure, if necessary, a reduction of the $3 million annual contribution to the VRE Capital Reserve established in FY 2015 or a reduction in the 2% budgeted contingency could be considered.

Finally, although the total jurisdictional subsidy in FY 2020 will be unchanged from FY 2019 at $17.8 million, the allocation of the subsidy among the individual jurisdictions will be calculated using data from the latest Master Agreement survey. The survey was conducted in early October, and the final results are usually available soon after Thanksgiving. VRE staff will then present a balanced budget to the CAO Task Force for their review in early December. Operations Board adoption of the FY 2020 budget is scheduled for December 14, with approval by the Commissions on January 3, 2019.
To: Chairman Nohe and the VRE Operations Board
From: Doug Allen
Date: November 16, 2018
Re: VRE Transit Development Plan Update

The Transit Development Plan (TDP) provides an overview of all the major projects and initiatives and outlines VRE’s short-term priorities as well as constraints and aspirations for the longer term. It also summarizes and coordinates activities and initiatives, and tracks progress towards achievement of VRE’s long range vision. VRE is required to periodically update its Transit Development Plan in accordance with the Virginia Department of Rail and Public Transportation (DRPT) Transit Development Plan Minimum Requirements, dated February 2017, as a condition of receiving state funding.

VRE’s updated TDP encompasses two timeframes:

- A six-year (FY 2020-2025) fiscally-constrained plan; and
- A ten-year minimum (FY 2020-2029) fiscally-unconstrained plan identifying longer-term capital and operating needs.

A presentation to the Operations Board will be provided in order to receive feedback that will be incorporated into the final document. The Operations Board will be asked to adopt the updated TDP at the January 2019 meeting.

The presentation will highlight the role of the TDP among other VRE planning activities and documents. The fiscally-constrained timeframe serves as an implementation plan for VRE’s projects and initiatives, while the longer-term unconstrained plan charts a path towards achieving the vision set out in the System Plan 2040.
The presentation will outline various types of service needs that exist today. Demand for VRE service is anticipated to increase in the future. Service and capital improvements required to meet existing and future needs will be summarized. Funded improvements will be highlighted along with potential resources to meet identified needs.

The TDP also plays a role in demonstrating success in the achievement of the VRE mission due to the daily activities by VRE staff. An updated set of goals and objectives that align with the VRE mission statement were presented in April 2018. This presentation will introduce the proposed performance measures that will be used to comprehensively record progress towards those TDP goals. The final TDP document will be organized per DRPT’s requirements as follows:

Chapter 1: Overview of the Transit System – describes the existing service, facilities, organization, and regional context.

Chapter 2: Goals, Objectives, and Service Design Standards – identifies updated goals, objectives, and performance measures that can help VRE measure success towards achieving the VRE mission.

Chapter 3: Service and System Evaluation – presents the demographics of the station catchment areas and identifies how well the service needs are being met by analyzing performance data, customer opinions expressed in surveys, etc.

Chapter 4: Service and Capital Improvement Plan – identifies projected population and employment growth throughout the system, and the priorities for the service plan and capital improvement projects for the TDP timeframes described above.


Chapter 6: Financial Plan – outlines the operating and capital program for the six-year timeframe, including options to close funding gaps, while demonstrating the ability to preserve current commitments.

Chapter 7: Monitoring and Evaluation – summarizes the update and evaluation processes in practice or proposed to be put into place to ensure successful execution of the plans and projects outlined in the TDP in future years.
To: Chairman Nohe and the VRE Operations Board
From: Doug Allen
Date: November 16, 2018
Re: Spending Authority Report

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.

- On October 9, 2018, VRE issued a Task Order in the amount of $57,490 to NVE, Inc. under the Maintenance Services for VRE Facilities Contract to remove and replace existing electrical and communications conduits, wiring and the electrical cabinet at the Manassas Park Station.

- On October 15, 2018, VRE issued a Task Order in the amount of $76,206 to Fresh Air Duct Cleaning, LLC under the Custodial and Seasonal Services for VRE Facilities Contract to pressure wash the exterior of the Woodbridge Station tower, apply a transparent sealant to the existing windows and perform glass restoration for all windows.