To: Chairman Skinner and the VRE Operations Board  
From: Rich Dalton  
Date: February 21, 2020  
Re: Authorization to Execute a Contract for Locomotive Prime Mover Turbochargers

Recommendation:

The VRE Operations Board is asked to authorize the Acting Chief Executive Officer to execute a contract with American Turbocharger Technologies, Inc. of Newport News, Virginia, for Locomotive Prime Mover Turbochargers in the amount of $532,900, plus a 10 percent contingency of $53,290, for a total amount not to exceed $586,190.

Summary:

The VRE Operations Board adopted a life cycle maintenance strategy for VRE rolling stock in January 2014 to maintain VRE locomotives and passenger railcars at the highest level of reliability throughout the equipment lifecycle. These turbochargers are reaching the end of their useful life under VRE’s Life Cycle Maintenance (LCM) Program. This authorization will allow VRE to purchase a total of twenty (20) replacement Locomotive Prime Mover Turbochargers as well as associated spring drives, accessory drives and gasket kits for VRE’s fleet of MP36 locomotives.

Background:

VRE purchased 20 MP36 locomotives between 2010 and 2011. Each locomotive uses one turbocharger for the Prime Mover Engine. Turbochargers enhance the engine’s reliability, performance and fuel economy. Under VRE’s LCM program, these turbochargers are reaching the end of their useful life and are in need of replacement.
The scope of work includes the purchase and delivery of twenty (20) Prime Mover Turbochargers as well as associated spring drives, accessory drives and gasket kits. Installation of the Prime Mover Turbochargers will be performed by VRE’s maintenance services contractor, Keolis Rail Services Virginia.

On September 20, 2019, the VRE Operations Board approved a request to issue an Invitation for Bids (IFB) for Locomotive Prime Mover Turbochargers. A mailing list of eight prospective Bidders was established for the solicitation to ensure access to adequate sources of parts. On December 9, 2019, an IFB was issued and bids were due on January 24, 2020. Four responses were received. Of the four responses received, one bid was determined to be incomplete and thus deemed non-responsive to the requirements of the IFB.

The tabulation of responsive bids received is as follows:

<table>
<thead>
<tr>
<th>Bidders</th>
<th>Bid Amount</th>
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<tbody>
<tr>
<td>1. American Turbocharger Technologies Inc.</td>
<td>$532,900.00</td>
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<tr>
<td>2. Progress Rail Locomotive Inc.</td>
<td>$686,968.60</td>
</tr>
<tr>
<td>3. Globe-Connect, LLC</td>
<td>$940,344.00</td>
</tr>
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After review of the bids, it was determined American Turbocharger of Newport News, Virginia, was the lowest responsive-responsible bidder.

The staff has certified the price offered by American Turbocharger is fair and reasonable, as it is within 10 percent of the cost estimate for this contract.

**Fiscal Impact:**

Funding for the Locomotive Prime Mover Turbochargers will be provided through existing Federal formula funds (Section 5337 – State of Good Repair).
Virginia Railway Express  
Operations Board  

Resolution  
9B-02-2020  

Authorization to Execute a Contract for  
Locomotive Prime Mover Turbochargers  

**WHEREAS,** the VRE Operations Board adopted a life cycle maintenance strategy for VRE rolling stock in January 2014 to maintain VRE locomotives and passenger railcars at the highest level of reliability throughout the equipment lifecycle; and,  

**WHEREAS,** turbochargers enhance the engine’s, reliability, performance and fuel economy; and,  

**WHEREAS,** under VRE’s Life Cycle Maintenance Program, the MP36 Locomotive Prime Mover Turbochargers are reaching the end of their useful life and are in need of replacement; and,  

**WHEREAS,** the VRE Operations Board authorized the CEO to issue an Invitation for Bids for Locomotive Prime Mover Turbochargers on September 20, 2019; and;  

**WHEREAS,** following a competitive solicitation process it was determined that American Turbocharger of Newport News, Virginia was the lowest responsive-responsible bidder;  

**NOW, THEREFORE, BE IT RESOLVED THAT,** the VRE Operations Board does hereby authorize the Acting Chief Executive Officer to execute a contract with American Turbocharger Technologies Inc. of Newport News, Virginia, for Locomotive Prime Mover Turbochargers in the amount of $532,900, plus a 10 percent contingency of $53,290, for a total amount not to exceed $586,190.  

Approved this 21st day of February 2020  

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Gary Skinner  
Chairman  

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Jeanine Lawson  
Secretary