Agenda Item 8-B
Action Item

To: Chairman Skinner and the VRE Operations Board

From: Rich Dalton

Date: May 15, 2020

Re: Recommend Authorization to Execute an Agreement with Amtrak for Access and Storage at Washington Union Terminal

Recommendation:

The VRE Operations Board is asked to recommend the Commissions authorize the Acting Chief Executive Officer to enter into a five-year agreement, with an option to extend for another five-year term, with Amtrak for access and mid-day storage at Washington Union Terminal.

Summary:

VRE’s current agreement with Amtrak for access and storage at Washington Union Terminal expires on June 30, 2020. The Agreement, executed in 2015, included an option for an additional five-year term. The preferred method, as determined by VRE legal counsel, was to update the current agreement instead of amending. The majority of the updates reflect the implementation of policies by the Northeast Corridor Commission related to the Passenger Rail Investment and Improvement Act of 2008. The proposed agreement will be for five years with an option to extend for another five-year term. There are no material changes from the previous agreement relative to cost, general provisions and scope of work.

Background:

In 2015, VRE and Amtrak executed a five-year agreement with an option for VRE to extend for an additional five-year term. VRE and Amtrak legal counsel determined the preferred method to renew, or exercise the option term, was to update the existing agreement. Since
August of 2019, VRE and Amtrak staffs have met monthly to negotiate a new agreement. Both parties have now reached consensus on the terms of a new agreement that provides VRE with continued access into Washington Union Terminal (WUT) as well as the existing level of mid-day storage. The term of the agreement is for five-years with the option for VRE to extend for an additional five-year term upon advance notice to Amtrak. The current Agreement with Amtrak will expire on June 30, 2020.

The proposed agreement is like the previous agreement. The number of trains VRE can operate into and out of Washington Union Terminal is 7,600-8,000. If VRE operates below or above this level, a fixed rate per train will be assessed or credited. Access fees are established by the cost allocation methodology mandated by Section 212 of the 2008 Passenger Rail Improvement Act, consistent with the previous agreement. Storage rights will remain the same as they are today. Amtrak has the right to notify VRE in the event they require a reduction in the number of units stored by no more than twenty units per year. VRE may request extensions of time in order to complete its relocation to an alternative storage site. Amtrak also agrees to work with VRE to design and construct an alternative storage site.

During the mid-day layover, Amtrak will provide coach cleaning and limited maintenance of the equipment including locomotive daily inspections and use of ground power. Amtrak will also provide limited mechanical repairs on an as needed basis to correct defects that would otherwise prevent the movement of the equipment back to VRE maintenance and storage facilities. VRE will fund dedicated support personnel including one Trainmaster, one Station Manager, one Sr. Space and Equipment Control Analyst and a part time Assistant Superintendent of Mechanical. Partial reimbursement for other support personnel include a Financial Analyst and a Sr. Project Specialist. Other fees include general and administrative costs, management fees, train rescues, and qualifications training, as requested.

The Step-Up Program will be maintained for all VRE/Amtrak Cross Honor trains. The step-up fee, similar to support personnel and other fees, will be adjusted in accordance with the AAR Quarterly Index of Chargeout Prices and Wage Rates. The increase may be reduced in the event the Commonwealth participates in a different arrangement for permitting VRE passengers on VRE/Amtrak Cross Honor trains. Amtrak will continue to pay a prorated cost for Amtrak passengers using VRE station facilities.

**Fiscal Impact:**

The current budget for FY 2021 includes funding under the Amtrak Access and Storage for the first year. Funding for future years will be included in each proposed annual budget.
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WHEREAS, VRE’s current access and storage agreement with Amtrak expires June 30, 2020; and,

WHEREAS, the current agreement includes access and mid-day storage at Washington Union Terminal; and,

WHEREAS, the current agreement includes an option for an additional five-year term; and,

WHEREAS, it was determined by VRE legal counsel the preferred approach was to develop a new agreement to include updated polices by the Northeast Corridor Commission in accordance with the Passenger Rail Investment and Improvement Act of 2008; and,

WHEREAS, a new agreement has been reached for a five-year term with an option to extend the term an additional five years upon advanced written notice to Amtrak; and,

WHEREAS, the new agreement will provide VRE with continued access and mid-day storage and other services at Washington Union Terminal;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby recommend the Commissions find that, in accordance with recently adopted amendments to budget bills HB 29 and 30, meeting by electronic means is authorized because the nature of the declared emergency makes it both impracticable and unsafe for the Operations Board to assemble in a single location on May 15, 2020, and that meeting by electronic means is authorized because the items on the May 15, 2020 Operations Board Meeting Agenda are statutorily required or necessary to continue operations of the Operations Board and the discharge of the Operations Board’s lawful purposes, duties, and responsibilities; and further find that meeting by electronic means is authorized because the items on the May 15, 2020 Operations Board Meeting Agenda are encompassed within the continuity of operations ordinances adopted by member localities of the Virginia Railway Express Operations Board to assure the continued operation of the government during the disaster posed by the public health emergency resulting from COVID-19; and,

BE IT FURTHER RESOLVED THAT, the VRE Operations Board hereby recommends the Commissions authorize the Acting Chief Executive Officer to enter into a five-year agreement, with an option to extend for an additional five-year term subject to further
Resolution 8B-05-2020 continued

approval by the Commissions, with Amtrak for access and mid-day storage at Washington Union Terminal in a form approved by legal counsel.

Approved this 15th day of May of 2020

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Gary Skinner                  Jeanine Lawson
Chairman                      Secretary