To: Chair Bennett-Parker and the VRE Operations Board

From: Rich Dalton

Date: May 21, 2021

Re: Recommend Authorization to Execute an Amendment for the Second Year of the Second Option Period of the Contract for Operating Services for Commuter Rail

Recommendation:

The VRE Operations Board is asked to recommend the Commissions authorize the Chief Executive Officer to amend the Contract for Operating Services for Commuter Rail with Keolis Rail Services Virginia, LLC (KRSV) by approving up to $16,787,500 for the second year of the second option period, for a total contract value not to exceed $212,790,557 through June 30, 2022.

Summary:

This action will authorize the contracted services for management, supervision and certified locomotive engineers and conductors to operate VRE commuter rail trains for FY 2022.

Background:

On October 16, 2009, following a competitive solicitation process, the VRE Operations Board recommended, and the Commissions subsequently approved, a five-year contract with KRSV for commuter rail operations and maintenance with two five-year option periods. The maintenance activities were later removed from this contract and these services are now included in a separate contract for maintenance services. The second option period for operating services started July 1, 2020. This is the final five-year option period for this contract. This contract includes the necessary management and supervision along with certified locomotive engineers and conductors to operate VRE commuter rail trains. The contract also includes Federal Railroad Administration (FRA) required
reporting and claims management. Below is a list of the amendments, contract modifications and proposed actions for this contract:

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Amount</th>
<th>Authorized Value (Cumulative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-16-2009</td>
<td>1st Contract Year &amp; Mobilization</td>
<td>$18,459,348</td>
<td>$18,459,348</td>
</tr>
<tr>
<td>12-17-2010</td>
<td>Amendment (a)</td>
<td>$2,085,000</td>
<td>$20,544,348</td>
</tr>
<tr>
<td>5-20-2011</td>
<td>2nd Contract Year</td>
<td>$17,954,527</td>
<td>$38,498,875</td>
</tr>
<tr>
<td>4-20-2012</td>
<td>3rd Contract Year (b)</td>
<td>$18,008,591</td>
<td>$56,507,466</td>
</tr>
<tr>
<td>4-19-2013</td>
<td>4th Contract Year</td>
<td>$18,974,041</td>
<td>$75,481,507</td>
</tr>
<tr>
<td>4-18-2014</td>
<td>5th Contract Year (c)</td>
<td>$20,115,047</td>
<td>$95,596,554</td>
</tr>
<tr>
<td>5-15-2015</td>
<td>1st Year of the First Option Period (6th Contract Year)</td>
<td>$20,931,000</td>
<td>$116,527,554</td>
</tr>
<tr>
<td>5-20-2016</td>
<td>2nd Year of the First Option Period (7th Contract Year) (d)</td>
<td>$15,463,003</td>
<td>$131,990,557</td>
</tr>
<tr>
<td>4-21-2017</td>
<td>3rd Year of the First Option Period (8th Year)</td>
<td>$15,416,000</td>
<td>$147,406,557</td>
</tr>
<tr>
<td>4-20-2018</td>
<td>4th Year of the First Option Period (9th Year)</td>
<td>$15,718,000</td>
<td>$163,124,557</td>
</tr>
<tr>
<td>5-17-2019</td>
<td>5th Year of the First Option Period (10th Year)</td>
<td>$16,287,000</td>
<td>$179,411,557</td>
</tr>
<tr>
<td>5-15-2020</td>
<td>1st Year of the Second Option Period (11th Year)</td>
<td>$16,591,500</td>
<td>$196,003,057</td>
</tr>
<tr>
<td>5-21-2021</td>
<td>2nd Year of the Second Option Period (12th Year) (e)</td>
<td>$16,787,500</td>
<td>$212,790,557</td>
</tr>
</tbody>
</table>

(a) Amendment included service enhancements, higher than anticipated insurance costs; items included in the original negotiations, contingency funds, and removed the requirement that Keolis indemnify VRE for all liability claims arising from the contract service with a value of up to $5,000,000.

(b) FY 2013 budget amended mid-year for service enhancements resulting in the lengthening of two trains. This increased the FY 2013 contract budget amount to $18,248,591. Authorization available from prior year approvals.

(c) FY 2015 budget includes adding the new Fredericksburg line train for half of the fiscal year.

(d) FY 2017 budget reflects the amended agreement removing the maintenance of equipment and facilities maintenance functions.

(e) Pending Approval
This action will increase the contract value by $16,787,500 for a cumulative amount not to exceed $212,790,557. The year over year increase is due to a contractually mandated increase of 1.20% based on the Consumer Price Index for the fixed cost components of the contract.

**Fiscal Impact:**

Funding for the second year of the second option period of the contract (12th year) is included in the FY 2022 operating budget. The total amount budgeted for train operations is $16,787,500.
Virginia Railway Express  
Operations Board Resolution  

7E-05-2021  

Recommend Authorization to Execute an Amendment for the Second Year of the Second Option Period of the Contract for Operating Services for Commuter Rail

WHEREAS, on October 16, 2009, the VRE Operations Board approved a 5-year contract with Keolis Rail Services Virginia for VRE operations and maintenance services and mobilization in the amount of $18,459,348 through June 30, 2011; and,  

WHEREAS, a contract amendment was approved on December 17, 2010, in the amount of $2,085,000; and,  

WHEREAS, on May 20, 2011, the Operations Board approved the second contract year, through June 30, 2012, in the amount of $17,954,527, for a total contract value not to exceed $38,498,875; and,  

WHEREAS, on April 20, 2012, the Operations Board approved the third contract year, through June 30, 2013, in the amount of $18,008,591, for a total contract value not to exceed $56,507,466; and,  

WHEREAS, on April 19, 2013, the Operations Board approved the fourth contract year, through June 30, 2014, in the amount of $18,974,041, for a total contract value not to exceed $75,481,507; and,  

WHEREAS, on April 18, 2014, the Operations Board approved the fifth contract year, through June 30, 2015, in the amount of $20,115,047, for a total contract value not to exceed $95,596,554; and,  

WHEREAS, on May 15, 2015, the Operations Board approved the first year of the first option period, through June 30, 2016, in the amount of $20,931,000, for a total contract value not to exceed $116,527,554; and,  

WHEREAS, on May 20, 2016, the Operations Board further authorized amending the agreement to remove the requirements for the Maintenance of Equipment and Facilities; and,  

WHEREAS, on May 20, 2016, the Operations Board approved the second year of the first option period, through June 30, 2017, in the amount of $15,463,003, for a total contract value not to exceed $131,990,557; and,
WHEREAS, on April 21, 2017, the Operations Board approved the third year of the first option period, through June 30, 2018, in the amount of $15,416,000, for a total contract value not to exceed $147,406,557; and,

WHEREAS, on April 20, 2018, the Operations Board approved the fourth year of the first option period, through June 30, 2019, in the amount of $15,718,000, for a total contract value not to exceed $163,124,557; and,

WHEREAS, on May 17, 2019, the Operations Board approved the fifth year of the first option period, through June 30, 2019, in the amount of $16,287,000, for a total contract value not to exceed $179,411,557; and,

WHEREAS, on May 15, 2020, the Operations Board approved the second and final option period; and,

WHEREAS, on May 15, 2020, the Operations Board approved the first year of the second option period through June 30, 2021, in an amount of $16,591,500, for total contract value not to exceed $196,003,057; and,

WHEREAS, approval of this resolution will allow for continued VRE train operations in FY 2022.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby recommend the Commissions authorize the Chief Executive Officer to amend the Contract for Operating Services for Commuter Rail with Keolis Rail Services Virginia, LLC (KRSV) by increasing the total contract authorization by $16,787,500 for the second year of the second option period, for a total Contract value not to exceed $212,790,557 through June 30, 2022.

Approved this 21st day of May 2021

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Elizabeth Bennett-Parker
Chair

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James Walkinshaw
Secretary