



VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

Agenda Item 7-F
Action Item

To: Chair Bennett-Parker and the VRE Operations Board

From: Rich Dalton

Date: May 21, 2021

Re: Recommend Authorization to Execute a Contract for New Passenger Railcars

Recommendation:

The VRE Operations Board is being asked to recommend the Commissions authorize the Chief Executive Officer to execute a contract with Alstom Transportation Inc. of New York, New York, for 21 New Passenger Railcars in the amount of \$80,594,822, plus a five percent contingency of \$4,029,741, for a total amount not to exceed \$84,624,563.

Summary:

The resolution will recommend the Commissions authorize VRE to execute a contract with Alstom Transportation Inc. to design, manufacture and deliver a base order of 21 new multilevel passenger railcars, specifically trailer cars with restrooms, with a total 148 seats per car.

Background:

In April 2004, the VRE Operations Board authorized the issuance of a Request for Proposals (RFP) for the procurement of 11 bi-level cab cars with an option for an additional 50 bi-level railcars. In October 2004, Sumitomo Corporation of North America was awarded the contract and in March 2005, the Operations Board exercised the option for the full 50 railcars. All 61 cars were delivered by September 2008.

In March 2008, the VRE Operations Board authorized the issuance of an RFP for the procurement of 10 additional gallery railcars to replace the Kawasaki railcars sold to Maryland (MTA). Sumitomo Corporation of North America was the sole proposer and was awarded the contract in August 2008. The 10 railcars were delivered in February 2010.



Northern Virginia
Transportation Commission
2300 Wilson Blvd., Suite 230
Arlington, VA 22201
703-524-3322



Virginia Railway Express
1500 King Street, Suite 202
Alexandria, VA 22314
703-684-1001
VRE.org



Potomac and Rappahannock
Transportation Commission
14700 Potomac Mills Road
Woodbridge, VA 22192
703-580-6121

In May 2011, the VRE Operations Board authorized the issuance of an RFP for the procurement of nine additional gallery railcars, with an option for 41 gallery railcars. Sumitomo Corporation of Americas was the sole proposer and was awarded a contract in February 2012. With this procurement, VRE completed the replacement of ex-Metra gallery railcars (15) and purchased additional railcars to lengthen existing trains (14). A total of 29 railcars were purchased and delivered during the five-year contract term. VRE's current fleet consists of 100 gallery style passenger railcars.

Consistent with System Plan 2040 Phase I, VRE staff identified projects and potential funding sources to purchase additional railcars to lengthen existing trains. In 2017, VRE was recommended and subsequently awarded funding for two major expansion programs. First, SMARTSCALE 2016 provides funding for VRE Fredericksburg Line capacity improvement projects including platform extensions, second platforms, parking expansions, additional train storage, and 11 passenger railcars or 1,430 additional seats. Second, the Transform 66 Outside the Beltway Concessionaire Funding Project provides funding for VRE Manassas Line capacity improvement projects including expansion of the Broad Run Maintenance and Storage Facility, Broad Run Station parking, a platform extension at the Manassas Station, construction of the Manassas Park Station parking garage, and 10 passenger railcars or 1,300 additional seats.

On April 12, 2019, the VRE Operations Board authorized the CEO to participate in an RFP through a joint procurement with Chicago Metra for new passenger railcars. Since VRE's and Chicago Metra's requirements for new passenger railcars were similar, and both organizations had a need for additional seating capacity, a joint procurement allowed for reduced administrative effort while providing both organizations with greater purchasing power.

On March 20, 2019, Metra published RFP 37383 for New Push-Pull Commuter Rail Cars. On June 19, 2019, Chicago Metra issued Addendum Number 3 to this RFP introducing VRE as a joint procurement partner. Many other changes were also included in this Addendum to identify VRE's specifications and to highlight any variations between the cars sought by Chicago Metra and VRE. Proposals were due on November 8, 2019. Three responses were received.

Evaluation of the proposals received was performed by six evaluation committees, which consisted of one voting and one non-voting representative of VRE and two to seven Chicago Metra representatives. VRE's Mechanical Engineering Consultant, STV Incorporated, participated in the evaluation committees as a non-voting member providing input and recommendations throughout the evaluation period.

The evaluation committees met to discuss and evaluate the proposals on the basis of the following elements:

- Compliance with Specifications
- Firm's Qualifications and Experience, Key Personnel Qualifications and Experience, Proposed Staffing Plan

- Manufacturing/Remanufacturing Capabilities
- Production and Delivery Schedule
- Warranty and Field Support
- Training

During the evaluation process, interviews were conducted with all three firms that responded to the RFP.

The evaluation committees then reported their scores and findings to the Selection Committee consisting of one VRE staff member and six Metra staff members. Based upon the combined evaluation committees' scores and the price evaluation scores, the Selection Committee determined it would be in Metra's and VRE's best interest to request a Best and Final Offer and initiate negotiations with Alstom Transportation Inc.

Below is the final ranking of firms who submitted a proposal for New Push-Pull Commuter Rail Cars.

Offerors
1. Alstom Transportation Inc.
2. Bombardier Transit Corp.
3. CRRC Sifang America, Inc.

The Offerors' proposed pricing was in the range of \$80,000,000 to \$140,000,000. Complete pricing information may not be publicly disclosed until after execution of a contract.

In January 2021, Chicago Metra sought and obtained the authorization of its Board of Directors to purchase a base order of 200 cars from Alstom Transportation, with the option to buy up to 300 additional cars.

At about the same time, in January 2021, VRE awarded a Task Order to STV Incorporated to undertake an investigation of railcar fleet expansion alternatives. STV provided a report in March detailing their investigation and findings. The report included market availability of used and refurbished passenger railcars and potential suppliers that could rebrand, retrofit or refurbish used passenger railcars for integration into the VRE system. The report also detailed carbody materials, Americans with Disabilities Act (ADA) compliance, boarding heights, life expectancy and estimated costs for acquisition and refurbishing. VRE staff analyzed this report and it is our recommendation that new passenger railcars should be purchased as they will provide the best return on investment. Additionally, based on comparison with the cost information yielded by the alternative's analysis and comparison with VRE's cost estimate, VRE staff has certified that Alstom Transportation's price is fair and reasonable.

The model of the new passenger railcars, the Alstom Coradia multilevel, will be 100% compatible and interoperable with VRE's existing fleet of locomotives and gallery style passenger railcars. The railcars are also interoperable with the tracks of our host railroads and with all existing platforms in our service area. As future run through service expansion to Maryland is considered, these passenger railcars are interoperable with many of the tracks and low-level boarding platforms north of our service area.

The Coradia multilevel railcar will feature a stainless steel carbody and structural design to meet the latest Federal Railroad Administration (FRA) crashworthiness standards. To improve passenger flow, increase safety, and reduce time spent boarding and alighting, the lower floor and doors of the passenger railcars are nearly level with the platform. The railcars also include carborne lifts on each side to assist passengers with wheelchairs, mobility aids and other power-driven mobility devices. These lifts are located in a wide vestibule area adjacent to a dedicated seating area for users of these devices and a fully accessible restroom compliant to the latest ADA requirements.

The interior of the Coradia multilevel railcar will be constructed with materials, touchless features and treatments that promote easier cleaning and a sanitary interior. The railcars will be designed for modern day comfort combined with passenger amenities including video screens, bike racks, bag storage, cup holders, arm rests and more.

VRE's contract with Alstom Transportation to acquire new Coradia Multilevel cars will be for a base order of 21 trailer cars with restrooms, with the option to purchase up to 48 additional cars, consisting of 44 trailer cars with restrooms and four cab control cars with restrooms. VRE staff will return to the Operations Board at a later date if it is determined to be in VRE's best interest to exercise option order quantities.

Fiscal Impact:

As noted above, initial funding for the 21 railcars (11 on the Fredericksburg Line and 10 on the Manassas Line) was secured through the Commonwealth's SMARTSCALE and I-66 Outside the Beltway Concession programs. Taken together, these two programs are providing \$63.0 million in grant funds for the railcar purchase. These programs provide 100% funding with no match required.

The remaining \$21.6 million necessary to advance this contract with Alstom will come from reprogrammed prior year federal funds, specifically funding received under the Section 5307 Urbanized Area Formula Program. VRE receives federal funding each year from both the Section 5307 program and the Section 5337 State of Good Repair program. Section 5337 funds cannot be used to purchase expansion railcars, but Section 5307 funds are more flexible and can be used for this purpose. Specifically, these federal funds will be reprogrammed from three sources:

- *Funds in existing grants for railcar purchases:* VRE has a small amount of unused federal funds remaining in grants from the previous railcar purchase from Sumitomo. These funds can be applied to the proposed Alstom purchase and then the old grants can be closed out. Total railcar costs that could be covered through

this source are approximately \$3.3 million (representing \$2.7 million of federal funds, assuming an 80% federal share).

- *Funds currently programmed for Washington Union Terminal (WUT):* VRE has been programming funds in the CIP each year since FY 2018 in anticipation of participation with Amtrak and MARC in major rehabilitation and replacement projects in and around Union Station. These WUT joint projects have not advanced as quickly as originally anticipated, and a portion of the prior year federal funds can be put to a more immediate use on the railcars. Specifically, VRE has programmed \$8 million of FY 2019 and FY 2020 Section 5307 funds (representing \$10 million of total cost at an 80% match) to WUT joint projects. These funds have not yet been assigned to any specific effort at WUT and can be reprogrammed to the railcars. Future allocations of federal funds, if necessary, can be programmed to WUT joint projects as they are defined.

- *Funds currently programmed for Midday Storage:* Since FY 2016, VRE has programmed a significant amount of both Section 5337 and Section 5307 funds to the Midday Storage/New York Avenue Yard project. This project has also been delayed relative to original expectations due to a number of factors, most recently the major changes resulting from the Transforming Rail in Virginia program. Given the expected timeline and scope changes for this project, VRE staff have determined that limited prior year allocations of Section 5307 funds can be reprogrammed from the Midday Storage project to the railcar purchase without impeding the progress or future completion of the project. Given \$13.3 million in total cost covered by the two preceding sources, approximately \$6.6 million of 5307 funding (representing \$8.3 million of total cost at an 80% match) will be reprogrammed from Midday Storage, most likely from FY 2017 and 2018 allocations.

VRE will coordinate with DRPT and/or VPRA staff on securing the necessary match funding to the federal grants, either through modification of existing matching grants or applications for new grants. If any portion of such state match funding is not made available, VRE has sufficient funding available in the Capital Reserve to provide the required match.

**Virginia Railway Express
Operations Board Resolution**

7F-05-2021

**Recommend Authorization to Execute a Contract for
New Passenger Railcars**

WHEREAS, VRE has identified a need to purchase additional passenger railcars to increase seating capacity; and,

WHEREAS, the purchase of additional passenger railcars is part of a program of projects to increase capacity and ridership on both the Fredericksburg and Manassas lines; and,

WHEREAS, VRE worked with Chicago Metra to incorporate VRE's requirement within their Request for Proposals for the purchase of additional passenger railcars to increase capacity for both organizations; and,

WHEREAS, on June 19, 2019 an addendum was issued to Metra's Request for Proposals identifying it as a joint procurement with VRE and 3 proposals were subsequently received in response to the solicitation on November 8, 2019; and,

WHEREAS, following a comprehensive evaluation process conducted by Metra and VRE, it was determined that the proposal from Alstom Transportation Inc. received in response to the Request for Proposals was technically compliant and selected as the highest ranked; 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 recommend the Commissions authorize the Chief Executive Officer to execute a contract with Alstom Transportation Inc. of New York, New York for the purchase of 21 New Passenger Railcars in the amount of \$80,594,822, plus a five percent contingency of \$4,029,741, for a total amount not to exceed \$84,624,563.

Approved this 21st day of May 2021

Elizabeth Bennett-Parker
Chair

James Walkinshaw
Secretary