



VIRGINIA RAILWAY EXPRESS  
OPERATIONS BOARD

**Agenda Item 10-A**  
**Action Item**

**To: Chair Bohmke and the VRE Operations Board**

**From: Rich Dalton**

**Date: May 17, 2024**

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

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**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 \$19,763,000 for the fifth year of the second option period, for a total contract value not to exceed \$269,480,057 through June 30, 2025.

**Summary:**

This action will authorize the fifth year of the final option period and continue the contracted services for management, supervision and certified locomotive engineers and conductors to operate VRE commuter rail trains for FY 2025.

**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. The contract also included two additional five-year option periods to be exercised at VRE's discretion. The maintenance requirements were later removed from this contract and these services are now included in a separate contract for maintenance services. The first year of the second option period for operating services began July 1, 2020. This is the final year of the five-year option period for this contract.



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

The work performed under this contract includes providing certified locomotive engineers and conductors to operate VRE commuter rail trains. The contract also includes Federal Railroad Administration reporting and claims management. Below is a list of the amendments, contract modifications and proposed actions for this contract:

<b>Date</b>	<b>Description</b>	<b>Amount</b>	<b>Authorized Value (Cumulative)</b>
10-16-2009	1 <sup>st</sup> Contract Year & Mobilization	\$18,459,348	\$18,459,348
12-17-2010	Amendment (a)	\$2,085,000	\$20,544,348
5-20-2011	2 <sup>nd</sup> Contract Year	\$17,954,527	\$38,498,875
4-20-2012	3 <sup>rd</sup> Contract Year (b)	\$18,008,591	\$56,507,466
4-19-2013	4 <sup>th</sup> Contract Year	\$18,974,041	\$75,481,507
4-18-2014	5 <sup>th</sup> Contract Year (c)	\$20,115,047	\$95,596,554
5-15-2015	1 <sup>st</sup> Year of the First Option Period (6 <sup>th</sup> Contract Year)	\$20,931,000	\$116,527,554
5-20-2016	2 <sup>nd</sup> Year of the First Option Period (7 <sup>th</sup> Contract Year) (d)	\$15,463,003	\$131,990,557
4-21-2017	3 <sup>rd</sup> Year of the First Option Period (8 <sup>th</sup> Year)	\$15,416,000	\$147,406,557
4-20-2018	4 <sup>th</sup> Year of the First Option Period (9 <sup>th</sup> Year)	\$15,718,000	\$163,124,557
5-17-2019	5 <sup>th</sup> Year of the First Option Period (10 <sup>th</sup> Year)	\$16,287,000	\$179,411,557
5-15-2020	1 <sup>st</sup> Year of the Second Option Period (11 <sup>th</sup> Year)	\$16,591,500	\$196,003,057
5-21-2021	2 <sup>nd</sup> Year of the Second Option Period (12 <sup>th</sup> Year)	\$16,787,500	\$212,790,557
5-20-2022	3 <sup>rd</sup> Year of the Second Option Period (13 <sup>th</sup> Year)	\$17,797,500	\$230,588,057
5-19-2023	4 <sup>th</sup> Year of the Second Option Period (14 <sup>th</sup> Year)	\$19,129,000	\$249,717,057
5-17-2024	5 <sup>th</sup> Year of the Second Option Period (15 <sup>th</sup> Year) (e)	\$19,763,000	\$269,480,057

(a) Amendment included service enhancements, higher than anticipated insurance costs; items included in the original negotiations, contingency funds, and reduced to \$500,000 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 a 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 \$19,763,000 for a cumulative amount not to exceed \$269,480,057. The year-over-year increase is due to a contractually mandated increase of 3.20% based on the Consumer Price Index for the fixed cost components of the contract. The estimated cost for the proposed service enhancements for CY 2024, as authorized in the FY 2025 operation budget, are also factored into the total authorized cumulative value. If additional contract authorization is needed, staff will return to the Operations Board.

**Fiscal Impact:**

Funding for the fifth year of the second option period (15<sup>th</sup> year) is included in the FY 2025 operating budget. The total amount budgeted for train operations is \$19,763,000.

**Virginia Railway Express  
Operations Board Resolution**

**10A-05-2024**

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

**WHEREAS**, on October 16, 2009, following a competitive solicitation process, 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 contract 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, 2020, 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 a total contract value not to exceed \$196,003,057; and,

**WHEREAS**, on May 21, 2021, the Operations Board approved the second year of the second option period through June 30, 2022, in an amount of \$16,787,500, for a total contract value not to exceed \$212,790,557; and,

**WHEREAS**, on May 20, 2022, the Operations Board approved the third year of the second option period through June 30, 2023, in an amount of \$17,797,500, for a total contract value not to exceed \$230,588,057; and,

**WHEREAS**, on May 19, 2023, the Operations Board approved the fourth year of the second option period through June 30, 2024, in an amount of \$19,129,000, for total contract value not to exceed \$249,717,057; and,

**WHEREAS**, approval of this resolution will allow for continued train operations in FY 2025;

**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 \$19,763,000 for the fifth year of the second option period, for a total contract value not to exceed \$269,480,057 through June 30, 2025.

*Resolution 10A-05-2024 continued*

Approved this 17<sup>th</sup> day of May 2024

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Meg Bohmke  
Chair

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Ralph Smith  
Secretary