

AGENDA ITEM 9-A
ACTION ITEM

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: MARCH 20, 2008

**RE: AUTHORIZATION TO MODIFY THE CONTRACT FOR NEW
LOCOMOTIVE PURCHASE**

RECOMMENDATION:

The VRE Operations Board is being asked to recommend that the Commissions authorize the Chief Executive Officer to modify the contract with Motive Power, Inc., for the purchase of locomotives so that the base order is increased from five to up to nine locomotives, increasing the contract value to \$33,254,298, plus a 10% contingency of \$3,325,430, for a total amount not to exceed \$36,579,728.

BACKGROUND:

In January of 2008, the Operations Board authorized VRE to enter into a contract with Motive Power of Boise, Idaho for the manufacture of two new locomotives in an amount not to exceed \$9.6 million. In October of 2008, VRE received additional grant funding which allowed three additional units to be added to the base order for a contract total of \$20.3 million.

Since October, the Stimulus Bill was enacted and VRE is expected to receive another \$9.8 million to purchase locomotives. As a result, this Board authorization is being requested to increase the base order by up to four additional units, using a combination of the stimulus funds, federal formula funds and a federal earmark approved in FY 2008. While an amendment to the contract will not occur until funds are in hand, VRE staff is requesting approval now so that the contract can be amended immediately upon receipt of funds.

The contract is structured such that the unit price decreases when additional units are added to the base order. As such, the original price per unit, when ordering two, was \$4,379,271. The unit price was reduced to \$3,694,922 when the order increased to five.

In January 2008, the Operations Board also authorized up to \$4,145,920, including contingency, to STV, Inc. for construction engineering and inspection services for the purchase of all twenty locomotives. Similar to the locomotive contract, this contract was structured to allow incremental notices to proceed, such that authorization will be issued concurrently and proportionately with locomotive option orders. As such, no additional Board authorization is needed for the oversight work.

FISCAL IMPACT:

Funding is available from the locomotive acquisition project in the VRE capital budget. This additional funding is via the American Recovery and Reinvestment Act, federal formula funds and a federal earmark approved in FY 2008.

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: MARCH 20, 2009
RE: AUTHORIZATION TO MODIFY THE CONTRACT FOR NEW LOCOMOTIVE PURCHASE

RESOLUTION
9A-3-2009
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, in January of 2008, the Operations Board approved the award of a contract to Motive Power, Inc. for the manufacture of two new locomotives at a cost of \$4,379,271 per unit; and,

WHEREAS, in October of 2008, VRE received additional grant funding which allowed three additional units to be added to the base order for a contract total of \$20.3 million; and,

WHEREAS, since October, the Stimulus Bill was enacted and VRE is expected to receive another \$9.8 million to purchase locomotives; and,

WHEREAS, this Operations Board authorization is being requested to increase the base order by up to four additional units.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board recommends that the Commissions authorize the Chief Executive Officer to modify the contract with Motive Power, Inc., for the purchase of locomotives so that the base order is increased from five to up to nine locomotives, increasing the contract value to \$33,254,298, plus a 10% contingency of \$3,325,430, for a total amount not to exceed \$36,579,728.

AGENDA ITEM 9-B
ACTION ITEM

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: MARCH 20, 2009

**RE: AUTHORIZATION TO INCREASE CONTRACT AMOUNT FOR
LOCOMOTIVE FUEL SUPPLY AT BOTH YARDS**

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to amend the existing contract with Mifco Heating Oil of Manassas, Virginia for the delivery of diesel fuel to the Broad Run Yard by \$600,000, for a total amount not to exceed \$2,900,000.

The VRE Operations Board is also being asked to authorize the Chief Executive Officer to amend the existing contract with Quarles Petroleum Company of Fredericksburg, Virginia for the delivery of diesel fuel to the Crossroad Yard by \$200,000, for a total amount not to exceed \$3,200,000.

BACKGROUND:

In April of 2008, the VRE Operations Board authorized execution of the third option year for each of the fuel contracts. The contract with Mifco for Broad Run was authorized in the amount of \$2.3 million and the contract with Quarles for Crossroads was authorized in the amount of \$3 million.

The higher than projected level of expenditures is attributed to more fuel usage than estimated. This increase is due primarily to increased ridership and the use of F-40 locomotives in VRE's fleet. The F-40's consume nearly twice the amount of fuel as a GP-39. While every effort is made to use only GP-style units for VRE

service, the F-40's must be used when a GP unit is undergoing a scheduled or unscheduled repair.

At the time of the last authorization, usage was projected at 1,685,000 gallons for the year. Usage has been recalculated and is now estimated at 1,830,000 gallons for the year.

This authorization does not impact the action last month to execute fuel contracts for the next fiscal year.

FISCAL IMPACT:

Funding will be provided by the FY 2009 and FY 2010 operating budgets.

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: MARCH 20, 2009
RE: AUTHORIZATION TO INCREASE CONTRACT AMOUNT FOR
LOCOMOTIVE FUEL SUPPLY AT BOTH YARDS

RESOLUTION
9B-03-2009
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, in April of 2008, the VRE Operations Board authorized execution of the final option year to Mifco Heating Oil in an amount not to exceed \$2,300,000 for services at Broad Run Yard; and,

WHEREAS, in April of 2008, the VRE Operations Board also authorized the final option year for Quarles Petroleum Company in an amount not to exceed \$3,000,000; and,

WHEREAS, current estimates place the projected expenditures on fuel beyond this authorization limit by the end of the contract year for both yards; and,

WHEREAS, this increase is attributable mostly to an increase in usage; and,

WHEREAS, amendments to the current option year contract values are needed.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to amend the existing contract with Mifco Heating Oil of Manassas, Virginia for the delivery of diesel fuel to the Broad Run Yard by \$600,000, for a total amount not to exceed \$2,900,000.

BE IT FURTHER RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to amend the existing contract with Quarles Petroleum Company of Fredericksburg, Virginia for the delivery of diesel fuel to the Crossroad Yard by \$200,000, for a total amount not to exceed \$3,200,000.

AGENDA ITEM 9-C
ACTION ITEM

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: MARCH 20, 2009

**RE: AUTHORIZATION TO AWARD A CONTRACT FOR CONTAMINATED
WASTE REMOVAL SERVICES**

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to enter into a contract with IMS Environmental Services of Fredericksburg, Virginia, for contaminated waste removal services in an amount not to exceed \$250,000 for the three year term of the contract.

BACKGROUND:

On June 20, 2008, the Operations Board authorized the issuance of an RFP for hazardous waste removal services. A request for proposals (RFP) was subsequently issued on December 5, 2008. Two proposals were received, IMS Environmental Services and Clean Venture, Inc. IMS Environmental Services is being recommended for award.

The scope of services in this contract are spill containment, hazardous and contaminated materials removal, blood borne pathogen awareness training for the cleaning staff, and annual washing and cleaning of the locomotive drip pan system. The annual training and drip pan treatment are base contract services with spill containment, waste removal and other unscheduled duties managed on an as needed basis.

The contract will be for three years, a base year plus two option years, with the CEO exercising the option years at his discretion.

FISCAL IMPACT:

Funding will be provided through the FY 2009 through FY 2013 operating budgets.

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: MARCH 20, 2009
RE: AUTHORIZATION TO AWARD A CONTRACT FOR CONTAMINATED
WASTE REMOVAL SERVICES

RESOLUTION
9C-03-2009
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, on June 20, 2008, the Operations Board authorized the issuance of an RFP for contaminated waste removal services; and,

WHEREAS, these services are used to remove hazardous and contaminated waste, conduct blood borne pathogen awareness training, and the annual cleaning of the yard drip pan system; and,

WHEREAS, a competitive selection process was conducted to select the recommended party.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to enter into a contract with IMS Environmental Services of Fredericksburg, Virginia, for contaminated waste removal services in an amount not to exceed \$250,000 for the three year term of the contract.

AGENDA ITEM 9-D
ACTION ITEM

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: MARCH 20, 2009

RE: AUTHORIZATION TO AMEND THE CONTRACT WITH SCHEIDT AND BACHMANN TO UPGRADE THE VRE FARE COLLECTION SYSTEM

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to amend the existing Scheidt and Bachmann USA, Inc. (S&B) contract for the VRE fare collection system to undertake a system upgrade. The amendment will increase the contract by an amount not to exceed **(amendment value will be provided via a blue sheet at the meeting).**

BACKGROUND:

On June 16, 2000, the VRE Operations Board authorized a contract with S&B for the delivery of a new fare collection system. On October 31, 2002, the system was accepted and revenue service began. After over six years of operation, the fare system hard drive components are approaching the end of their lifespan and will be replaced as part of this proposed amendment.

The fare collection system application software also requires updating. In 2005, Visa issued new requirements to protect PIN-based transaction processing within point-of sale systems and host systems, including the VRE fare collection system. Replacement of the PIN pads on existing VRE TVM and TOM units must be completed by June 30, 2010 in order to comply with the requirements. If these upgrades are not completed, credit and debit processing of ticket sales will be suspended and VRE would be subjected to fines and penalties. The proposed amendment will implement the

necessary hardware, software and bank payment card security upgrades to ensure stable operation of the fare collection system.

While the majority of these hardware and software upgrades will address maintenance issues and the new credit card requirements, they are also intended to support the future modification of the fare collection system to allow interoperability with the WMATA SmarTrip program. The full regional SmarTrip implementation, including the “autoload” functionality that will enable VRE integration with the region, is currently expected to be complete by the end of 2009. Additional modifications to the VRE fare collection system to support integration will be required and have not been finalized. As such, any changes will be included in a future contract amendment.

FISCAL IMPACT:

Funding for this project is available in VRE’s Capital Improvement Program as part of the SmarTrip/Fare Collection System improvement project. Funding for this project is from federal CMAQ grants. The local match is provided for using state funds.

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD
FROM: DALE ZEHNER
DATE: MARCH 20, 2009
RE: AUTHORIZATION TO AMEND THE CONTRACT WITH SCHEIDT AND BACHMANN TO UPGRADE THE VRE FARE COLLECTION SYSTEM

**RESOLUTION
9D-03-2009
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD**

WHEREAS, a contract currently exists to maintain the VRE fare collection system; and,

WHEREAS, the fare collection system hardware components and software have reached the end of their lifespan and are beginning to show signs of instability; and,

WHEREAS, the bank card payment industry has mandated compliance with new security standards for credit/debit card processing which require upgrading VRE ticket vending equipment; and,

WHEREAS, the proposed upgrades support the integration of VRE with WMATA's SmarTrip program; and,

WHEREAS, VRE needs to keep its fare collection system in revenue service, including allowing credit/debit ticket purchases, and continue with steps to achieve interoperability with the regional SmarTrip system.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to amend the existing Scheidt and Bachmann USA, Inc. (S&B) contract for the VRE fare collection system to undertake a system upgrade. The amendment will increase the contract by an amount not to exceed **(amendment value will be provided via a blue sheet at the meeting).**