

**MOTION:**

**SECOND:**

**RE:                AUTHORIZE THE VIRGINIA RAILWAY EXPRESS CHIEF EXECUTIVE OFFICER TO EXECUTE  
AN AMENDMENT FOR THE FIFTH YEAR OF THE FIRST OPTION PERIOD OF THE  
CONTRACT WITH KEOLIS RAIL SERVICES VIRGINIA, LLC FOR OPERATING SERVICES  
FOR COMMUTER RAIL**

**ACTION:**

**WHEREAS**, on October 16, 2009, the Virginia Railway Express (VRE) Operations Board authorized a five-year contract, with two five-year option periods, with Keolis Rail Services Virginia, LLC for VRE operating and maintenance services and mobilization in the amount of \$18,459,348 through June 30, 2011; and

**WHEREAS**, on May 15, 2015, the VRE Operations Board authorized 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 VRE Operations Board authorized amending the agreement to remove the requirements for the maintenance of equipment and facilities after doing a procurement for a separate Maintenance Services Contract; and

**WHEREAS**, on May 20, 2016, the VRE Operations Board authorized the second year of the first option period, for operating services only, 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 20, 2018, the VRE Operations Board authorized 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**, the VRE Operations Board recommends the Potomac and Rappahannock Transportation Commission and the Northern Virginia Transportation Commission authorize the VRE Chief Executive Officer to amend the contract for operating services for commuter rail with Keolis Rail Services Virginia, LLC by approving up to \$16,287,000 for the fifth year of the first option period, for a total contract value not to exceed \$179,441,557, through June 30, 2020.

**NOW, THEREFORE, BE IT RESOLVED** that the Potomac and Rappahannock Transportation Commission does hereby authorize the VRE Chief Executive Officer to amend the contract for operating services for commuter rail with Keolis Rail Services Virginia, LLC by approving up to \$16,287,000 for the fifth year of the first option period, for a total contract value not to exceed \$179,441,557, through June 30, 2020.

**Votes:**

**Ayes:**

**Nays:**

**Abstain:**

**Absent from Vote:**

**Alternate Present Not Voting:**

**Absent from Meeting:**

**Virginia Railway Express  
Operations Board**

**Resolution  
9F-05-2019**

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

**WHEREAS**, on October 16, 2009, the VRE Operations Board authorized a five-year contract, with two five-year option periods, with Keolis Rail Services Virginia for VRE operating and maintenance services and mobilization in the amount of \$18,459,348 through June 30, 2011; and,

**WHEREAS**, on May 15, 2015, the Operations Board authorized 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 authorized amending the agreement to remove the requirements for the maintenance of equipment and facilities after doing a procurement for a separate Maintenance Services Contract; and,

**WHEREAS**, on May 20, 2016, the Operations Board authorized the second year of the first option period, for operating services only, 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 20, 2018, the Operations Board authorized 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;

**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 by approving up to \$16,287,000 for the fifth year of the first option period, for a total Contract value not to exceed \$179,411,557, through June 30, 2020.

Approved this 17<sup>th</sup> day of May 2019

  
John Cook  
Secretary

  
Katie Cristol  
Chair



VIRGINIA RAILWAY EXPRESS  
OPERATIONS BOARD

**Agenda Item 9-F**  
**Action Item**

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

**From: Doug Allen**

**Date: May 17, 2019**

**Re: Recommend Authorization to Execute an Amendment for the Fifth Year of the First 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 \$16,287,000 for the fifth year of the first option period, for a total contract value not to exceed \$179,411,557, through June 30, 2020.

**Summary:**

This action will authorize contracted services for management, supervision and certified locomotive engineers and conductors to operate VRE commuter rail trains for FY 2020.

**Background:**

When VRE service was initiated in 1992, commuter rail operations and maintenance services were provided by Amtrak on a sole source basis. In October 2009, following a competitive solicitation, the VRE Operations Board recommended, and the Commissions subsequently authorized, a new contract with KRSV for commuter rail operations and maintenance. The maintenance activities were then removed from this contract in 2016



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2300 Wilson Blvd. #620  
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14700 Potomac Mills Road  
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and subject to a separate competitive solicitation (which was also ultimately awarded to KRSV).

The commuter rail operations contract with KRSV has a five-year base period and two five-year option periods. The VRE Operations Board gave its approval in May 2015 to exercise the first five-year option period, which was subsequently authorized by the Commissions. The fifth and final year of the first option period for operating services will start July 1, 2019. The total amount requested for authorization is equal to the total amount budgeted for FY 2020.

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

Date	Description	Amount	Authorized Value (Cumulative)
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 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) (e)	\$16,287,000	\$179,411,557

(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 \$16,287,000, for a cumulative amount not to exceed \$179,411,557. The year over year increase is due to a contractually mandated increase of 2.52% based on the Consumer Price Index for the fixed cost components of the contract and additional train crew cost for the storage of VRE trains at the L'Enfant Storage facility.

**Fiscal Impact:**

Funding for the fifth year of the first option period (10<sup>th</sup> year) is included in the FY 2020 operating budget. The total amount budgeted for train operations is \$16,287,000.