

ITEM 8-C
May 3, 2018
PRTC Regular Meeting
VRE Agenda Item 9-H

MOTION:

SECOND:

**RE: AUTHORIZE THE VRE CEO TO EXECUTE AN AMENDMENT FOR THE FOURTH
YEAR OF THE FIRST OPTION PERIOD OF THE CONTRACT FOR OPERATING
SERVICES FOR COMMUTER RAIL**

ACTION:

WHEREAS, on October 16, 2009, the Virginia Railway Express (VRE) Operations Board approved a five-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, contract amendment was approved on December 17, 2010 in the amount of \$2,085,000; and

WHEREAS, on May 20, 2011, the VRE 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 VRE 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 VRE 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 VRE 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 VRE 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

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WHEREAS, on May 20, 2016, the VRE 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 VRE 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 VRE 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, the VRE Operations Board recommends the following action.

NOW, THEREFORE, BE IT RESOLVED THAT, the Potomac and Rappahannock Transportation Commission authorizes 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 \$15,718,000 for the fourth year of the first option period, for a total Contract value not to exceed \$163,124,557 through June 30, 2019.

Votes:

Ayes:

Abstain:

Nays:

Absent from Vote:

Alternate Present Not Voting:

Absent from Meeting:



VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

Agenda Item 9-H
Action Item

To: Chairman Nohe and the VRE Operations Board

From: Doug Allen

Date: April 20, 2018

Re: Recommend Authorization to Execute an Amendment for the Fourth Year of the First 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 \$15,718,000 for the fourth year of the first option period, for a total contract value not to exceed \$163,124,557 through June 30, 2019.

Summary:

This action will authorize contracted services for certified locomotive engineers and conductors to operate VRE commuter rail trains for FY 2019.

Background:

On October 16, 2009 the VRE Operations Board recommended, and the Commissions subsequently approved, a five-year contract with KRSV for commuter rail operations and maintenance. The maintenance portion was removed from this contract and these services are now included in a separate contract for maintenance services. The fourth



Northern Virginia
Transportation Commission
2300 Wilson Blvd. #620
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

year of the first option period for operating services will start July 1, 2018. The total amount requested for authorization is equal to the total amount budgeted for FY 2019.

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 amendment, contract modifications and proposed actions for this contract:

Date	Description	Amount	Authorized Value (Cumulative)
10-16-2009	1 st Contract Year & Mobilization	\$18,459,348	\$18,459,348
12-17-2010	Amendment (a)	\$2,085,000	\$20,544,348
5-20-2011	2 nd Contract Year	\$17,954,527	\$38,498,875
4-20-2012	3 rd Contract Year (b)	\$18,008,591	\$56,507,466
4-19-2013	4 th Contract Year	\$18,974,041	\$75,481,507
4-18-2014	5 th Contract Year (c)	\$20,115,047	\$95,596,554
5-15-2015	1 st Year of the First Option Period (6 th Contract Year)	\$20,931,000	\$116,527,554
5-20-2016	2 nd Year of the First Option Period (7 th Contract Year) (d)	\$15,463,003	\$131,990,557
4-21-2017	3 rd Year of First Option Period (8 th Year)	\$15,416,000	\$147,406,557
4-20-2018	4 th Year of the First Option Period (9 th Year) (e)	\$15,718,000	\$163,124,557

(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 \$15,718,000, for a cumulative amount not to exceed \$163,124,557. The year over year increase is due to a contractually mandated increase of 2.04% based on the Consumer Price Index for the fixed cost components of the contract.

Fiscal Impact:

Funding for the fourth year of the first option period (9th year) is included in the FY 2019 operating budget. The total amount budgeted for train operations is \$15,718,000.

**Virginia Railway Express
Operations Board**

**Resolution
9H-04-2018**

**Recommend Authorization to Execute an Amendment for the
Fourth Year of the First 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,

Resolution 9H-04-2018 continued

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;

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 \$15,718,000 for the fourth year of the first option period, for a total Contract value not to exceed \$163,124,557 through June 30, 2019.

Approved this 20th day of April 2018

Martin Nohe
Chairman

Maureen Caddigan
Secretary