

**POTOMAC AND RAPPAHANNOCK
TRANSPORTATION COMMISSION**

RESOLUTION

MOTION: _____

**RESOLUTION NO. 09-07-____
OFFICIAL COMMISSION MEETING
JULY 9, 2009**

SECOND: _____

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

WHEREAS, in January of 2008, the VRE Operations Board approved the award of a contract to Motive Power, Inc. for the manufacture of two new locomotives; 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, in March of 2009, VRE received additional funding which allowed four additional units to be added to the base order for a contract total of \$36,413,676; and

WHEREAS, authorization is now being sought for three additional units.

WHEREAS, the VRE Operations Board recommends the following action.

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation Commission does hereby authorize the VRE Chief Executive Officer to modify the contract with Motive Power, Inc. for the purchase of locomotives so that the base order is increased from nine to twelve locomotives, increasing the contract value by \$10,971,549, plus a 10% contingency of \$1,097,155, for a total contract value not to exceed \$48,482,380.



Virginia Railway Express Operations Board

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AGENDA ITEM 9-C ACTION ITEM

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: JUNE 19, 2009

**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 nine to twelve locomotives, increasing the contract value by \$10,971,549, plus a 10% contingency of \$1,097,155, for a total contract value not to exceed \$48,482,380.

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.

In March of this year, the Operations Board further authorized VRE to increase the base order by four additional units, using a combination of the stimulus funds, federal formula funds and a federal earmark approved in FY 2008. That action put the total locomotive purchase at nine units. VRE negotiated the price of these three additional units at \$3,657,183 each, the same unit price as the last four units.

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 a federal earmark approved in FY 2009 and federal formula funds from prior years.