VRE OPERATIONS BOARD MEETING

July 17, 2020

The meeting will begin momentarily

Meeting materials are available at
vre.org/about/board/board-agenda-minutes/2020/July
Call to Order
by VRE
Operations Board Chairman

Gary Skinner
Spotsylvania County
Roll Call

Andrea Bailey  
Prince William County

Elizabeth Bennett-Parker  
Alexandria

Meg Bohmke  
Stafford County

Hector Cendejas  
Manassas Park

Katie Cristol  
Arlington County

Margaret Franklin  
Prince William County

Matt Kelly  
Fredericksburg

Jeanine Lawson  
Prince William County

Jennifer Mitchell  
Virginia DRPT

Cindy Shelton  
Stafford County

Gary Skinner  
Spotsylvania County

Ralph Smith  
Manassas

Dan Storck  
Fairfax County

James Walkinshaw  
Fairfax County
Resolution Finding the Need to Conduct the July 17, 2020 Operations Board Meeting Electronically

The declared emergency makes it both impracticable and unsafe for the VRE Operations Board to assemble in a single location on July 17, 2020 to discuss and transact the business of the VRE Operations Board.

Meeting by electronic means is authorized because the nature of the declared emergency makes it both impracticable and unsafe for the Operations Board to assemble in a single location on July 17, 2020 to discuss and transact the business of the Operations Board listed on the July 17, 2020 Operations Board meeting agenda.

Meeting by electronic means is authorized because the items on the July 17, 2020 Operations Board meeting agenda are statutorily required or necessary to continue operations of the Operations Board and the discharge of the Operations Board’s lawful purposes, duties and responsibilities.

Items on the July 17, 2020 Operations Board Meeting Agenda are encompassed within the continuity of operations ordinances adopted by several member localities of the Virginia Railway Express Operations Board to assure the continued operation of the government during the disaster posed by the public health emergency resulting from COVID-19.
Approval of Agenda

VRE Operations Board Meeting

July 17, 2020

Audit Committee Meeting – 8:30 A.M.
VIA WebEx/VRE YouTube Channel

Operations Board Meeting - 9:00 A.M.
VIA WebEx/VRE YouTube Channel

Finance Committee Meeting – follows Board meeting adjournment.
VIA WebEx/VRE YouTube Channel

1. Call to Order
2. Roll Call
3. Resolution Finding Need to Conduct July 17, 2020 Meeting Electronically
4. Approval of Agenda
5. Approval of Minutes from the June 19, 2020 VRE Operations Board Meeting
6. Chairman’s Comments
7. Chief Executive Officer’s Report
8. Virginia Railway Express Riders’ and Public Comment
9. Action Items:
   A. Authorization to Execute a Contract for Mobile Ticketing Services

Gary Skinner
VRE Operations Board Chairman
Spotsylvania County

VIRGINIA RAILWAY EXPRESS
Approval of Minutes

MINUTES
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD MEETING
June 19, 2020
WebEx Electronic Meeting with YouTube Live-Stream

Members Present
*Walter Alcorn (NVTC)
*Andrea Bailey (PRTC)
*Preston Banks (PRTC)
*Elizabeth Bennet-Parker (NVTC)
*Meg Bohmke (PRTC)
*Katie Cristol (NVTC)
*Margaret Franklin (PRTC)
*Matt Kelly (PRTC)
*Jeanine Lawson (PRTC)
*Cindy Shelton (PRTC)
*Gary Skinner (PRTC)
*Dan Storck (NVTC)
*James Walkinshaw (NVTC)

Jurisdiction
Fairfax County
Prince William County
City of Manassas Park
City of Alexandria
Stafford County
Arlington County
Prince William County
City of Fredericksburg
Prince William County
Stafford County
Spotsylvania County
Fairfax County
Fairfax County

Members Absent
Jennifer Mitchell (DRPT)
Ralph Smith (PRTC)

Alternates Present
*Michael McLaughlin (DRPT)

Commonwealth of Virginia
City of Manassas

Gary Skinner
VRE Operations Board Chairman
Spotsylvania County
Chairman’s Comments

• Welcome to the July 2020 VRE Operations Board meeting.

• On behalf of VRE, I recently sent a letter to Congressmen Beyer and Wittman thanking them for introducing the Long Bridge Act of 2020.

• The Finance Committee will meet once the full board adjourns.

• There is no August board meeting.

Gary Skinner
Spotsylvania County
CEO Report

- Safety/COVID-19 Update
- Ridership
- Performance
- Service Changes
- Funding Updates
- Welcome Back

Rich Dalton
VRE Acting CEO
Agenda Item 7

VRE & KEOLIS CELEBRATE INJURY-FREE YEARS
“S” SCHEDULE WEEKLY RIDERSHIP

For Weeks Ending March 20 – July 10

*Four service days*
“S” SCHEDULE AVERAGE DAILY RIDERSHIP

For Weeks Ending March 20 – July 10

<table>
<thead>
<tr>
<th>Week</th>
<th>Ridership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar 20</td>
<td>3,111</td>
</tr>
<tr>
<td>Mar 27</td>
<td>887</td>
</tr>
<tr>
<td>Apr 03</td>
<td>596</td>
</tr>
<tr>
<td>Apr 10</td>
<td>424</td>
</tr>
<tr>
<td>Apr 17</td>
<td>441</td>
</tr>
<tr>
<td>Apr 24</td>
<td>442</td>
</tr>
<tr>
<td>May 01</td>
<td>480</td>
</tr>
<tr>
<td>May 08</td>
<td>499</td>
</tr>
<tr>
<td>May 15</td>
<td>500</td>
</tr>
<tr>
<td>May 22</td>
<td>500</td>
</tr>
<tr>
<td>May 29</td>
<td>562</td>
</tr>
<tr>
<td>June 05</td>
<td>614</td>
</tr>
<tr>
<td>June 12</td>
<td>745</td>
</tr>
<tr>
<td>June 19</td>
<td>823</td>
</tr>
<tr>
<td>June 26</td>
<td>983</td>
</tr>
<tr>
<td>July 03</td>
<td>1,030</td>
</tr>
<tr>
<td>July 10</td>
<td>1,057</td>
</tr>
</tbody>
</table>

VIRGINIA RAILWAY EXPRESS
ON-TIME PERFORMANCE

June Comparisons

- Manassas Line: 69% (June 2019), 89% (June 2020)
- Fredericksburg Line: 67% (June 2019), 97% (June 2020)
- Systemwide: 68% (June 2019), 93% (June 2020)
AMTRAK TEMPORARILY SUSPENDS STEP-UP TICKETS

• To manage social distancing, Amtrak is limiting riders by reducing seat bookings on trains.

• Since VRE passengers riding Amtrak Step-Up trains are not booked, but walk on, the Step-Up program has been temporarily suspended.

• In June, just 56 VRE passengers took advantage of the Step-Up program compared to 5,464 in February 2020, our last full month operating a regular schedule.

• Suspension’s duration is unknown. We will work with Amtrak to reinstate the program once it is practical to do so.
NVTA FUNDING

• $15.8 million to plan, design and construct an expanded and relocated Crystal City Station and related track modifications.

• $22.96 million for the Franconia-Springfield passenger rail bypass that will improve VRE and Amtrak reliability.

• $18 million for a pedestrian bridge connecting Crystal City and Ronald Reagan Washington National Airport.
WELCOME BACK
Notice of Public Comment

Gary Skinner
VRE Operations Board Chairman
Spotsylvania County
Authorization to Execute a Contract for Mobile Ticketing Services

Recommendation:
The VRE Operations Board is asked to authorize the acting CEO to execute a contract with Svanaco, Inc. (DBA Americaneagle.com) of Des Plaines, Illinois for mobile ticketing services in the amount of $988,630, plus a 10 percent contingency of $98,863, for a total amount not to exceed $1,087,493, for a base year and five option years, with the CEO exercising the option years at his discretion.

Summary:
This contract will replace the current mobile ticketing provider, moovel, which notified VRE in January 2020 of its intention to leave the North American fare-payment market in 12-18 months. The total authorization sought includes design/development, licensing and hosting of the solution, as well as a commission rate of 0.5 percent of VRE Mobile sales.
Authorization to Execute a Contract for Federal Government Relations Services

Recommendation:
The VRE Operations Board is asked to authorize the acting CEO to execute a contract with Cardinal Infrastructure, LLC of Washington, D.C. for federal government relations services in the amount of $480,000, plus a five percent contingency of $24,000, for a total amount not to exceed $504,000, for a base period of three years and two one-year option periods, with the CEO exercising the option years at his discretion.

Summary:
VRE has found it more expedient and effective to contract for government relations services at both the state and federal levels than to employ staff to monitor the myriad of government and legislative activities in Richmond and Washington, D.C. This contract provides for services required to assist VRE in its efforts to achieve federal government relations objectives as identified by the VRE Operations Board and incorporated in the annual legislative agenda approved by its parent Commissions; and to address federal legislative, regulatory and other issues as they arise.
Authorization to Execute a Sole Source Contract for Fare Media Validators

Recommendation:
The VRE Operations Board is asked to authorize the acting CEO to execute a sole source contract with Scheidt & Bachmann for fare media validators in the amount of $391,000, plus a 20 percent contingency of $78,200, for a total amount not to exceed $469,200.

Summary:
VRE owns 69 ticket vending machines (TVMs) manufactured by Scheidt & Bachmann as part of our automated fare collection system. The TVMs are deployed at all 19 stations and are used to validate tickets, as well as to sell fare media. The addition of stand-alone fare media validators will accommodate planned platform extensions and second platform projects by providing passengers the ability to validate tickets at each platform entrance without adding additional TVMs. The fare media validators are proprietary technology built for use specifically with the Scheidt & Bachmann fare collection system.
Authorization to Issue a Task Order for Survey Services for the L’Enfant Station and Fourth Track Project

Recommendation:
The VRE Operations Board is asked to authorize the acting CEO to issue a general engineering consulting services task order to NXL Construction Services, Inc. for survey services for the L’Enfant Station and Fourth Track Project in the amount of $178,421, plus a 20 percent contingency of $35,684, for a total amount not to exceed $214,105.

Summary:
The task order’s purpose is to conduct a property boundary and topographical survey to support alternatives analysis, design, and land acquisition activities for the VRE L’Enfant Station and Fourth Track Project. The information gathered for this task order may also be used for adjacent VRE and Virginia Department of Rail and Public Transportation projects.
Authorization to Amend the Contract for Financial Advisory Services

Recommendation:
The VRE Operations Board is asked to authorize the acting CEO to execute a contract amendment with PFM Financial Advisors LLC (PFM) of Philadelphia, Pennsylvania, for financial advisory services on a task order basis in an amount of $400,000. This will increase the total authorization for this contract from $300,000 to a total amount not to exceed $700,000.

Summary:
VRE is in need of a range of additional support and analysis from PFM, including treasury consulting services, financial planning and modeling software, and financial advisory services in conjunction with VRE’s planned contribution to the commonwealth’s Transforming Rail in Virginia program. Additional funding authorization is needed for this task order contract to undertake these important activities.
Authorization to Amend the GEC VII Task Order for Design Services for the Quantico Station Improvements

Recommendation:
The VRE Operations Board is asked to authorize the acting CEO to amend the current task order for design services for Quantico Station improvements executed with STV, Inc. under the general engineering consulting services contract in the amount of $217,072, plus a 10 percent contingency of $21,707, for a total of $238,779. This will increase the total authorization for this task order from $830,833 to a total amount not to exceed $1,069,612.

Summary:
During final design, several elements requiring additional work were identified. The work includes final stakeholder coordination, review and comments, as well as associated responses, revisions, permit coordination, and updates to cost estimates and the bid package. VRE requested STV submit a proposal to accomplish the additional required work. This task order amendment addresses the increased costs.
Authorization to Withdraw from Standard Project Agreements with the Northern Virginia Transportation Authority for Lorton and Rippon Stations

Recommendation:
The VRE Operations Board is asked to authorize the acting CEO to formally withdraw from the existing standard project agreements with the Northern Virginia Transportation Authority (NVTA) for the Lorton and Rippon station projects.

Summary:
As a result of the commonwealth’s Transforming Rail in Virginia program, VRE’s planned station expansions at Lorton and Rippon have changed substantially, and the NVTA funding originally committed to these two projects is no longer needed. In order to unencumber the remaining funding and make those funds available to other important congestion-reducing projects in the region, VRE and NVTA have jointly agreed that VRE should voluntarily withdraw from the existing project agreements.
Fiscal Year 2022 Key Budget Issues

VRE staff will present a preliminary FY 2022 budget in September 2020 for the Operations Board’s consideration, with final budget approval and referral to the Commissions scheduled for December 2020. VRE’s financial planning process provides for initial consideration and discussion of key budget issues well before the preliminary budget presentation, which ensures that challenges can be identified, publicly vetted, and fully addressed before final approval.

1: Revenue Shortfalls and CARES Act Support

2: Policy of Alternating 3 Percent Fare and Subsidy Increases

3: Expense Reductions in FY 2021 and FY 2022

4: Transforming Rail in Virginia Program

5: Insurance

6: Baseline Capital Charge Contributions for Northeast Corridor
FY 2022 Key Budget Issues

• Broader economic and policy issues will be paramount
• Accurately forecasting ridership and revenue will be challenging, and we will select an approved projection near the end of the process
• Amending the current year budget (FY 2021) will be an important part of the process
Issue 1: Revenue Shortfalls and CARES Act Support

Average Daily Ridership CY 2020
Issue 2: Alternating Fare and Subsidy Increases

- No subsidy increase for FY 2022, but decision will be required on allocation
- Normally would be a year to propose fare increase but will more explicitly consider three options:
  1) Increase of 3% or less
  2) No change
  3) Reduction
Issue 3: Expense Reductions in FY2021 and FY 2022

- Deferring/eliminating consulting, professional services, non-critical initiatives, and replacement of existing items (IT, furniture, etc.)

Issue 4: Transforming Rail in Virginia Program

- Changes to project scopes, timelines and funding
- New track access agreements
- Commitment of C-ROC funds (cash and debt)
Issue 5: Insurance

• Secured required insurance for FY 2021 but with significant premium increase
• Will work with DRM, federal stakeholders and other commuter railroads to find sustainable solution

Issue 6: Capital Renewal Charges for Northeast Corridor (NEC)

• Change in methodology for required capital renewal charges paid through Amtrak access contract
• Discussions ongoing with Amtrak and NEC Commission
Spending Authority Report
June 2020

On May 15, 2015, the VRE Operations Board approved increasing the Chief Executive Officer’s spending authority from $50,000 to $100,000. It was resolved any purchase of greater than $50,000 would be communicated to the board as an information item.

- On June 5, 2020, VRE issued a task order in the amount of $97,722 to STV Inc. under the Mechanical Engineering Consulting Services VII contract to provide engineering services in support of lifecycle maintenance projects.

- On June 10, 2020, VRE issued a task order in the amount of $76,951 to Keolis Rail Services Virginia, LLC under the Maintenance Services for Commuter Rail contract to purchase and install social distancing floor decals on VRE’s passenger railcars.

-continued-
Spending Authority Report (Continued)  
June 2020

• On June 10, 2020, VRE issued a task order in the amount of $79,675 to Keolis Rail Services Virginia, LLC under the Maintenance Services for Commuter Rail contract to purchase and install social distancing seat decals on VRE’s passenger railcars.

• On June 10, 2020, VRE issued a task order in the amount of $60,021 to Keolis Rail Services Virginia, LLC under the Maintenance Services for Commuter Rail contract to purchase and install hand sanitizer dispensers on VRE’s passenger railcars.

• On June 18, 2020, VRE issued a purchase order in the amount of $78,475 to Technology International, Inc. for the purchase of five utility carts to be utilized at the Broad Run and Crossroads Maintenance and Storage Facilities.

-continued-
Spending Authority Report (Continued)

June 2020

- On June 22, 2020, VRE issued a task order in the amount of $99,376 to STV Inc. under the Mechanical Engineering Consulting Services VII contract to provide general engineering services for the first year of the contract.

- On June 25, 2020, VRE issued a task order in the amount of $85,257 to STV Inc. under the Mechanical Engineering Consulting Services VII contract to provide National Transit Database (NTD) and asset management reporting.

- On June 25, 2020, VRE issued a task order in the amount of $92,111 to STV Inc. under the Mechanical Engineering Consulting Services VII contract to provide oversight for the ongoing overhaul of VRE’s railcar trucks.
Public Comment

Gary Skinner
VRE Operations Board Chairman
Spotsylvania County
The livestream will recommence following this portion of the meeting, which is closed for the purpose of discussing a personnel matter.
Board Member Comment

Andrea Bailey
Prince William County

Elizabeth Bennett-Parker
Alexandria

Meg Bohmke
Stafford County

Hector Cendejas
Manassas Park

Katie Cristol
Arlington County

Margaret Franklin
Prince William County

Matt Kelly
Fredericksburg

Jeanine Lawson
Prince William County

Jennifer Mitchell
Virginia DRPT

Cindy Shelton
Stafford County

Gary Skinner
Spotsylvania County

Ralph Smith
Manassas

Dan Storck
Fairfax County

James Walkinshaw
Fairfax County
VRE OPERATIONS BOARD MEETING

July 17, 2020

The meeting has adjourned

Meeting materials are available at
vre.org/about/board/board-agenda-minutes/2020/July
Meeting materials are available at vre.org/about/board/board-agenda-minutes/2020/July
Call to Order

by VRE

Finance Committee Chair

Katie Cristol
Arlington County
Finance Committee Agenda

1. Delegation of Authority Limits
2. Subsidy Allocation Based on Ridership Survey
3. “Insurance 101”
4. Additional Q&A on FY 2022 Budget
1. Delegation of Authority Limits

- CEO’s delegated spending authority increased in May 2015 from $50,000 to $100,000
- Purchases greater than $50,000 are communicated to the Board in Spending Authority Report
- Came out of 2015 management audit which also recommended regularly revisiting limits
- Recent action by General Assembly (HB 452 & SB650) raised state’s small purchase threshold to $200,000
## Awards Between $100-$200K in Last Two Calendar Years (2018-2019)

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
<th>Operations Board Action (&quot;Authorization to...&quot;)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar-18</td>
<td>$141,101</td>
<td>Issue a GPC Task Order for the FY 2018 National Transit Database Data Collection</td>
</tr>
<tr>
<td>May-18</td>
<td>$136,400</td>
<td>Issue a Facilities Maintenance Services Task Order for Tactile Warning Strip Replacement at L’Enfant Station</td>
</tr>
<tr>
<td>May-18</td>
<td>$174,350</td>
<td>Issue a Facilities Maintenance Services Task Order for Pavement Repairs and Striping at Crossroads and Broad Run</td>
</tr>
<tr>
<td>Jun-18</td>
<td>$104,973</td>
<td><strong>Extend the Lease</strong> for Office Space at 127 South Peyton Street</td>
</tr>
<tr>
<td>Sep-18</td>
<td>$107,427</td>
<td><strong>Execute a Contract</strong> for the Purchase of Railcar End Body Door Diaphragm Kits</td>
</tr>
<tr>
<td>Sep-18</td>
<td>$194,348</td>
<td><strong>Execute a Contract</strong> for the Purchase of Automated Electric Motor Parking Brake Systems</td>
</tr>
<tr>
<td>Oct-18</td>
<td>$150,000</td>
<td><strong>Amend the Blanket Purchase Order</strong> for Content Management, Website Design &amp; Other IT Services</td>
</tr>
<tr>
<td>Jan-19</td>
<td>$165,000</td>
<td>Issue a Task Order for Digital Advertising Campaign Management</td>
</tr>
<tr>
<td>Feb-19</td>
<td>$142,055</td>
<td>Issue a Task Order for Access Control Installation and Integration at VRE Headquarters</td>
</tr>
<tr>
<td>Feb-19</td>
<td>$147,091</td>
<td>Issue a GPC Task Order for the FY 2019 National Transit Database Data Collection</td>
</tr>
<tr>
<td>Mar-19</td>
<td>$133,080</td>
<td><strong>Execute a Contract</strong> for Quantico Station Temporary Platform Construction</td>
</tr>
<tr>
<td>Jul-19</td>
<td>$140,000</td>
<td><strong>Amend the Purchase Order</strong> for Mass Electronic Communication Delivery System Utilization</td>
</tr>
<tr>
<td>Jul-19</td>
<td>$169,570</td>
<td><strong>Amend the Contract</strong> for Land Acquisition Services for the VRE Crossroads Yard Expansion</td>
</tr>
<tr>
<td>Oct-19</td>
<td>$116,128</td>
<td><strong>Extend the Lease</strong> Agreement for Parking at the Broad Run Station</td>
</tr>
</tbody>
</table>

VIRGINIA RAILWAY EXPRESS
Sample of Solicitations in $200K – $1 million Range

• Purchase of LED Light Fixtures ($770,000)
• Pavement Repairs and Striping at Rippon and Leeland Road Stations ($463,000)
• Website Management Services ($900,000)
• Forklift Trucks ($290,000)
Staff Recommendation

• Increase CEO authority to award contracts to $200,000
• Increase CEO authority to issue solicitations to $1,000,000
• Expand Spending Authority Report to capture all awards and issuances that no longer come before the Operations Board
2. Subsidy Allocation Methodology

- Master Agreement Survey conducted annually in early October to capture data on riders by jurisdiction
- Both number of trips taken and average fare paid figure into subsidy calculation
- Have previously wrestled with year-to-year variability in survey results – causing subsidy contributions to rise and fall
- Unlikely to get reliable data from a survey this fall
Three-Year Rolling Average Examples

Prince William County

<table>
<thead>
<tr>
<th></th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidy</td>
<td>$600,000</td>
<td>$640,000</td>
<td>$680,000</td>
<td>$720,000</td>
<td>$760,000</td>
<td>$800,000</td>
<td>$840,000</td>
</tr>
<tr>
<td>Using 3-Year Rolling Average</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

City of Manassas

<table>
<thead>
<tr>
<th></th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidy</td>
<td>$680,000</td>
<td>$720,000</td>
<td>$760,000</td>
<td>$800,000</td>
<td>$840,000</td>
<td>$880,000</td>
<td>$920,000</td>
</tr>
<tr>
<td>Using 3-Year Rolling Average</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Staff Recommendation

• Direct staff to defer Master Agreement Survey until such time as reliable data can be collected
• Provide guidance on preferred method of allocation to show in FY 2022 preliminary budget in September:
  ✓ Average of previous three years (FY 2019-2021)
  ✓ Same as FY 2021
  ✓ Other
3. “Insurance 101”

1. Plan Summary/Requirements
2. Annual Process
3. 2020 Market Conditions/Concerns
4. Immediate Future/Next Steps
The meeting has adjourned

Meeting materials are available at
vre.org/about/board/board-agenda-minutes/2020/July