

AGENDA ITEM 8-C
ACTION ITEM

TO: CHAIRMAN KAUFFMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: OCTOBER 19, 2007

RE: AUTHORIZATION TO SELL MAFERSA INVENTORY

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to sell the remaining Mafersa inventory to the Connecticut Department of Transportation (ConnDOT) for \$100,000 or the next best offeror.

BACKGROUND:

In May of 2007, the Operations Board granted the CEO authority to solicit proposals for the sale of spare inventory associated with the Mafersa equipment being retired from VRE service. Since February, VRE staff has been attempting to induce an interest in this material from both of the purchasers of the Mafersa cars. Recently, a proposal was received from the Connecticut Department of Transportation in New Haven, Connecticut, to purchase all of VRE's remaining Mafersa inventory of parts. The value of these parts is consistent with the proposal and there is no federal, state, or local interest in these materials.

FISCAL IMPACT:

This additional revenue will be allocated to the restoration of the operating reserve as required by the bond indenture.

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**RESOLUTION
8C-10-2007
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD**

WHEREAS, in May of 2007, the Operations Board granted the CEO authority to solicit proposals for the sale of residual Mafersa inventory; and,

WHEREAS, VRE received an offer to purchase the entire inventory for \$100,000; and,

WHEREAS, VRE staff have determined that this offer is acceptable.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to sell the remaining Mafersa inventory to the Connecticut Department of Transportation (ConnDOT) for \$100,000 or the next best offeror.