



INDIANA DEPARTMENT OF TRANSPORTATION

Driving Indiana's Economic Growth

100 North Senate Avenue
Room N725
Indianapolis, Indiana 46204

Michael R. Pence, Governor
Karl B. Browning, Commissioner

RFP 1404s1, Questions and Answers

Posted: 04/03/2014

Updated: 04/14/2014

Updated: 04/21/2014

Updated: 04/24/2014

Questions received March 31, 2014

Question: II.C. Stations – Chicago Union Station is not mentioned. It is owned by Amtrak. Is there an estimate of the cost for using Chicago Union Station?

Answer: *INDOT does not have a specific cost for Chicago Union station. It is bundled into our overall monthly charge based on an AMTRAK formula.*

Question: II.D. Present Agreement with Amtrak - The contract requires the State to provide Amtrak 90 days notice that it will issue an RFP. Has that notice been provided?

Answer: *Yes*

Question: II. E. Access to Freight Railroads - The RFP states “Bidders must show the expected access cost to operate over CSX, CN, UP, BRC, NS and Metra.” Access over Amtrak is actually also needed between 21st St. and Chicago Union Station. Are bidders required to contact the seven rail carriers, or is this simply a “desktop” estimate of what the bidder expects to pay? (In II. F. the RFP indicates that INDOT and the selected contractor will talk to the railroads, so it seems INDOT may only want a desktop review at this point?)

Answer: *INDOT agrees that it is a desktop review for the proposal but conversations would be needed to proceed.*

Question: It was reported that CDM Smith did a study for INDOT, and that Amtrak evaluated adding additional trains. Can INDOT post the results of these evaluations in “Supporting Docs”?

Answer: *Yes, the CDM Smith report is available at <http://www.in.gov/indot/3200.htm> under the heading Cost Benefit Analysis.*

Questions received April 2, 2014

Question: Can you provide train delay minutes broken out by the cause of delay (freight train interference, passenger boarding, etc.)?

Answer: Additional information is posted as supporting documents for this RFP.

Questions received April 3, 2014

Question: Will the successful bidder for passenger service be required to work with the Surface Transportation Board (STB)?

Answer: Yes, the successful bidder will need Operating Authority from the STB for the Indianapolis to Chicago/Chicago to Indianapolis market.

Letter received April 11, 2014

Question: Please see April 11, 2014 letter from the Association of Independent Passenger Rail Operators (AIPRO) containing comments on ambiguities and concerns on the Hoosier State Intercity Passenger Rail Service RFP. A copy of the letter can be found under the “Supporting Docs” link at: <http://pscscapp.indot.in.gov/ucmrfp/default.aspx?view=1> .

Answer: INDOT appreciates the comments from (AIPRO) and this is why INDOT shared awareness of the advertised RFP with (AIPRO). Our hope for the mandatory pre-bid meeting on April 16, 2014 is to start a dialogue on the process and timelines INDOT has outlined in the advertised RFP. Indiana is in uncharted territory and INDOT will depend on expertise from all parties on how to make this work to everyone’s advantage, including the public. The problem that Indiana and its partners face is that we have a service level that is not acceptable, is expensive to operate and right now is a challenge to improve.

INDOT requires the help and we need it quickly. INDOT is willing to entertain additional discussions with interested parties, but the discussions must lead us to a solution that is a win/win for the State of Indiana and thus for the riders and the taxpayers.

Questions received April 17, 2014

Question: **Bid Evaluation** - As a potential bidder, when considering writing a response to the RFP, it would be very useful to understand how the authority is going to score individual bids, and whether any ‘scoring matrix’ could be made available to bidders. This would include understanding how non-financial elements would be evaluated and whether any weightings exist for the financial and non-financial elements of the submission.

Additionally, how would INDOT address instances where a bidder submits winning proposals for some but not all elements of the RFP? This is of particular concern where some elements of the submission may be dependent upon other elements, e.g. catering and/or wi-fi offers are likely to impact passenger demand/fares revenue. The cross-benefit between such elements would be reflected throughout the bidder’s submission, and therefore what would occur if the bidder only wins some of the inter-dependent areas?

Answer: **Bid Evaluation** - In general, INDOT and its partners will score bids considering those items stressed in the RFP as important. For example, the Vision statement. With regard to bidders submitting proposals for some but not all elements of the RFP, INDOT and partners intend to make decisions based on what appears to be in the best interest of the taxpayers of Indiana.

- Question:** **Bid Submission** - It would be useful if INDOT provided further guidance as to the level of detail required for each element of a bidder's submission, including an indicative page count.
- Answer:** **Bid Submission** - INDOT and its partners believe it is the responsibility of the bidders as to how best to describe, in their proposals, what bidders intend to provide.
- Question:** **Investment** - With a contract period of only three (+three) years, there is very little scope for bidders to generate positive returns on any significant investment project without some form of funding from INDOT or residual value mechanism. It would therefore be critical to understand INDOT's position on this, given the desire to reduce costs.
- Answer:** **Investment** - This question was answered in the Pre-Bid meeting. INDOT and its partners will act in the best interests of the taxpayers of Indiana and will extend the contract to six years if the contractor is doing well in the opinion of INDOT.
- Question:** **Track Access** - There currently exists a lack of information regarding access to freight railroads, the associated level of track access charges, and the issues compounded by impact of potential service re-routing and/or new infrastructure.
- Answer:** **Track Access** - INDOT and its partners believe that bidders with experience on U.S. railroads will understand these issues very well and issues can and will be resolved by the time service is to commence under the extant procurement.
- Question:** **Negotiation** - It would have been useful to understand further details as to what the 'negotiation' phase will encompass (e.g. issues such as what level of re-pricing would be allowed).
- Answer:** **Negotiation** - INDOT and its partners detailed what is wanted in the RFP. The normal procedure utilized by INDOT is to negotiate contracts with the successful bidder or bidders deemed most responsive. If those negotiations fail, INDOT may then contact and start negotiations with the next best bidder or bidders.
- Question:** **Rolling Stock** - Assuming that the rolling stock is currently owned by Amtrak, for a private operator it would be critical to understand what the future leasing arrangements would be.
- With the current rolling stock nearing the end of its 30-year expected life, it would be useful for potential bidders to understand INDOT's position in relation to rolling stock in the longer term. This would include whether INDOT expects the stock to be replaced with cascaded stock and how this may subsequently limit investment and impact INDOT's cost reduction objectives.
- Answer:** **Rolling Stock** - INDOT and its partners assume that prospective bidders are familiar with prospective leasing arrangements regarding equipment. With regard to the second question under this heading, INDOT and its partners choose to leave these issues up to the experience and judgment of the bidders.
- Question:** **Maintenance Programs** - A detailed response for a proposed maintenance management plan would require a thorough understanding of the rolling stock's maintenance regime and where it lies within that cycle.
- Answer:** **Maintenance Programs** - INDOT and its partners believe that the RFP states the issue and believes the prospective bidder shall successfully address this without more detail.

Question: **Freight Experience** - The RFP requires bidders to outline their experience of working with freight railroads (RFP page 11). From an early stage of the process, it would be important for bidders who have significant experience of working with freight railroad operators outside the US but not directly within the US, to understand whether this would preclude them from successfully submitting a FRP response.

Answer: **Freight Experience** - Understanding U.S. freight railroads and the rules governing their operation and their interface with passenger railroads is, INDOT believes, very important in the selection of what will be in the best interest of the taxpayers of Indiana.

Question: **Responsibility** - The RFP requires bidders to be responsible for all 'Services offered in proposals'. Further explanation would likely be beneficial to bidders of how INDOT envisages that this will work given that the negotiation phase which follows submission may not lead to a mutually agreeable position (between INDOT and one or more bidders), particularly as potential conflicts may arise between different bidders' proposals being selected for inter-linked elements.

Answer: **Responsibility** - INDOT and its partners believe the question seeks a level of detail not appropriate to this stage of the procurement process. INDOT and its partners desire to see how prospective bidders explain what they plan to do. INDOT and its partners will make judgments based on the RFP requirements.

Question: **Commercial Sensitivity** - It would be very useful for bidders to understand whether submission documents would be redacted to remove any commercially sensitive elements, prior to being made publically available.

Answer: **Commercial Sensitivity** - There will be no redaction. INDOT procurement procedures require that proposals responsive to this RFP be available to the public.

Question: **Regulation/Contract monitoring** - In order for bidders to calculate overall total costs, it would be useful to obtain further details as to the likely regulation/contract management that will be undertaken by INDOT. This will subsequently enable bidders to better assess (and cost) the level resource required to meet this.

Answer: **Regulation/Contract Monitoring** - INDOT and its partners will manage the contracts and apply regulations as required by U.S. and State of Indiana law. As stated in the Pre-Bid meeting, INDOT and its partners wish to work in close harmony with the selected contractor(s) as a team, to improve Hoosier State service.

Questions received April 17, 2014

Question: Contractor respectfully requests two-month extension of RFP Response due date and scheduling of a second pre-bid meeting. Net result to INDOT will be a more competitive field of bidders for the Hoosier State service RFP 1404s1.

Answer: INDOT very much appreciates the request and comment from your organization. Indiana is in uncharted territory and INDOT is on a tight deadline. Thank you for your interest in the RFP, however, INDOT will decline the request for the two-month bid extension.

Questions received April 21, 2014

Question: Can you explain why November 2013 ridership dropped so much vs. November 2012? Were there cancellations or delays? The CDM Smith report refers to Technical Memorandum Tasks 7.1 and 7.3 Infrastructure and Improvements for Improved Service and Capital Cost of Improvements. Could you please post those documents to the Supporting Documents?

Answer: INDOT does not have this specific information available as to why November 2013 ridership dropped so much vs. November 2012. CDM Smith's Tech Memo 7.1 and 7.3 has been added to the Supporting Documents link at: <http://pscsapp.indot.in.gov/ucmrfp/Default.aspx?view=2>.

Question: Page 8, Section III., Bid Proposals, A. General Instructions for Preparing and Submitting a Bid Proposal, and page 12, I. Project Approach, we are having difficulty understanding the content of the response proposal that INDOT is seeking from proposers. On pages 8-11, from item A to H, the content requirements are generally understood. The question is when you get to item I. Project Approach; it becomes unclear what INDOT is looking for by way of proposal content. Specifically, items 1 through 18. Item 5 seems to be a repeat of items previously discussed in the document. Can INDOT be more specific about what content is expected and the format of the content?

Answer: For the Project Approach, please provide responses to items 1 through 4 listed under Project Approach. Responses to items 5 through 10 and item 12 under Project Approach are provided within the RFP (Pages 1 through 5). For items 11 and items 13 through 18 under Project Approach, please state how your organization and/or team's technical approach, innovative ideas and/or any other relevant information would address these items. This includes explaining in detail how your organization and/or team would run the Hoosier State Line?

NOTE: Please continue to e-mail your RFP questions to ContractsRFP@indot.in.gov.