



Ms. Rebecca Harnagel  
California High-Speed Rail Authority  
770 L Street, Suite 620 MS 2

September 7, 2015

Refer: RFEI HSR#15-02

Dear Ms. Harnagel;

VINCI Concessions is pleased to respond to the Request for Expressions of Interest dated June 22<sup>nd</sup>, 2015.

We understand from the RFEI that there are plans to conduct a series of 1 on 1 meetings with the respondents which will largely be based on the questions asked in the RFEI. We look forward to the 1 on 1 meetings and would like to open the discussions on the lessons learned on the design and construction of VINCI's HSR project (SEA) between Tour and Bordeaux in France currently under construction.

VINCI Concessions wishes you success as you continue to develop the Legacy Project for both the Country and the State of California and hope that in some way we can be of help and part of the project as it continues to develop.

Best Regards



Sidney R. Florey  
VINCI Concessions  
Director of Development  
North America



VINCI CONCESSIONS  
REPOSE TO RFEI HSR#15-02

CALIFORNIA High-Speed Rail Authority  
Request for Expression of Interest  
Delivery of Initial Operating Segment  
RFEI HSR#15-02

VINCI CONCESSIONS has reviewed and has responded below to the CHSRA Request for the Expression of Interest RFEI#15-02. Note that to the extent possible and with the information provided we have attempted to respond to those issues that we feel will provide some direction to the CHSRA through our lessons learned in the development of the SEA HSR project between Tour and Bordeaux that is currently under construction. We hope that these responses will help guide your principals in developing this first of its kind HSR Legacy project in the United States.

- Section 7.3 Technology Description – There is no proven technology that exists with design and operating speeds indicated (Design = 250 mph and Operating = 220 mph)
- Section 7.3.4
  - 7.3.4.1 – Communications – For the developer to be responsible for provisions of radios for each trainset there will be a requirement that the developer will need to rely on from specifications developed by the Rolling Stock provider.
  - 7.3.4.3 – Operational Control Center – A fully integrated OCC requires a collaborative and strong interface with the rolling stock provider. This is of significant importance and cannot be overlooked.
  - 7.3.4.5 – Warning System – The operating rules need to be well established if earthquakes, wind and flooding occurs. The warning system needs to be further clarified with current applicable standards (should they exist) before commenting on the warning system.
- 10.1 Payment and funding
  - 10.2 – Availability Payment – It is our opinion that there needs to be two sets of penalties. One for the line not being opened and one for line not being available due to technical issues such as signal being down or high voltage being down etc. The Authority should separate completion from performance. Additional thoughts should include be looked at concerning rolling stock performance and poor operational performance that could damage the line or reduces on time performance.
- 11.1 Expression of Interest
  - 11.4 – Firm Experience and Team Structure – Our VINCI Team has the capacity and experience to lead construction, financing, and O&M. VINCI is currently under construction to deliver a similar fully turnkey HSR between Tour and Bordeaux in France.  
Should the CHSRA care to visit the project and discuss lessons learned on construction, integration of systems, environmental issues and building synergy with stakeholders we would be happy to provide such an opportunity.

11.5 – Project Approach – VINCI would need to understand more about the two segments before commenting on the approach. After a precise understanding we would develop a teaming strategy that is consistent with the client’s budget, cost estimates, and funding.

#### 11.7 Commercial Questions

1. In addressing the schedule our experience is that working concurrently on both sections would provide the best value for money. Having chosen the rolling stock for the system will yield greater certainty that technology throughout the system is compatible and that service and maintenance costs can be mitigated. This would help mitigate whole life costs as well as accelerate the schedule.
2. The delivery strategy requires further definition to adequately respond. For example there needs to be further development of the ROW process, land acquisitions made or not made, environmental permits, utility relocations, Station Interfaces, Rolling stock interfaces, OCC interfaces, Latent defects for existing civil work packages that were advanced, permits that the project company will not be able to manage, commitments to local stakeholders, time line for funding. It is important that the CHSRA look at the rolling stock, and operator issues with the understanding that there are key interfaces that cannot be transferred to the developer that would be financeable.
3. If the CHSRA chooses to add additional components such as rolling stock and train operations you will significantly reduce the number of bidders available and thus likely increase the costs. To maintain the competitive process it would be important to keep both rolling stock and train operations to specialists. As far as stations, there is likely a good commercial reason to keep them as part of the DBFM package.
4. The appropriate contract term depends on ridership expectations and its impacts of heavy maintenance renewals.
5. Contract size is a client function. The industry can respond but the project needs to be well balanced for both risk and financing. Without completely understanding the goals and the funding structure this is difficult. Obviously costs can be mitigated by procuring certain scopes such as rolling stock and operations early. The test section should be used to review the characteristics (commercially and technically) of rolling stock and operations and sizing this commitment before a decision can be made for the balance of the project. Significant studying and modeling needs to advance so that that the client can evaluate how much of the system and which alignment best suits their commercial needs.
6. The scope of work will largely dictate the level of completion. As stated earlier, by adding rolling stock to the scope will significantly reduce the competition.
7. The delivery approach is DBFM and conditions on raising financing will revolve around the risk profile such as revenue service availability and who takes on the risk associated. Having the rolling stock and the operator outside this scope will help meet the objectives of financing. Other key issues are ROW acquisitions, permitting, and geotechnical certainty.
8. TBD – Not enough certainty to determine impacts and changes will have on raising financing. We would however not recommend continuing with separate scopes throughout the development of the CHSR project. This approach will provide uncertainty later when the client defines the Pre-RSA activities. Separating the different packages will not allow the client to define accountability for achieving RSA.
9. Availability payment structure is more financeable given that this is the first of its kind HSR and lenders are likely not going to participate and the projects with uncertainty on ridership.

10. There are few examples of HSR assets that meet the expectations on the business plan. You are providing certainty by keeping the operator in a different scope and this would be the same with the rolling stock. We will need a close interface with both once the decision has been made as our design will not fully mature until these two decisions have been made.
11. Procuring separate HSR components is very difficult and likely will not be able to be financed. Lenders want accountability and certainty and if the project is delivered in parts then accountability and integration is unachievable and not financeable.
12. This question has been answered in previous questions but yes, largely the separation of rolling stock and the operations will help in mitigating costs but so will having the technology on board early so that important interfaces can develop during the design. Having these two issues behind you and utilizing the test track section to define the type of technology the client wants is essential. We can only continue to support the idea that the system needs to be turnkey and by separating the key design components, construction, maintenance and lifecycle will drive not only the costs up but the risk of financing due to the lack of accountability.