

California High-Speed Rail Authority



Request for Qualifications for Early Train Operator

RFQ16-13

Offeror Inquiries Round 1

Early Train Operator RFQ Offeror Inquiries – Round 1

| No | Question | Authority Response |
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| 1 | <p>regarding S/D/DVBE participation: “For the RFP, the Offeror’s will be required to include a narrative describing a SB Performance Plan that will identify firms being utilized to meet the Authority’s 30 percent program goal...”</p> <p>Question: for RFQ16-13 will identification of firms be necessary or is this a requirement that applies to the follow-on RFP and not for this specific (16-13) RFQ?</p> | <p>Offerors are not required to identify subcontractors that will be utilized to meet the Authority’s 30 percent small business program goal in their SOQs, but are required to submit all of the Forms attached to the RFQ for all firms submitted in the SOQ. Offerors shall list all known team members on Form C and indicate those members’ roles in the organization. Offerors shall also submit a separate Form D for the Offeror, each Equity Member, Lead Operator, and any proposed Guarantor, which requires these team members to identify whether they are small businesses. Additionally, Offerors shall also submit a completed Form G: Overall Project Small Business Goal Commitment Affidavit with their SOQs.</p> |
| 2 | <p>Regarding the surety letter, does it have to be provided by a financial institution with an A.M. Best’s Rating? In China, performance bonds are provided by Banks. Chinese Banks do not have Best Ratings. Is it acceptable we got surety letter from reputable Banks in China?</p> | <p>If the financial institution is not rated by A.M. Best, then an equivalent credit rating from Standard & Poors, Moody’s or Fitch would be acceptable.</p> |
| 3 | <p>The SOQ should include “1 original copy and 7 hard copies”. But “each copy must be numbered 1 through 6”. Please clarify how many hard copies are required, 6 or 7?</p> | <p>Per Part A, Section 5.4 of the RFQ, Offerors shall submit one original and seven hard copies. The copies should be labeled 1 through 7 on their spines. This will be corrected in Addendum 2.</p> |
| 4 | <p>“The 30 percent SB utilization which includes 10% DBE and 3% DVBE.” Do these percentage requirements mean contract value or person month or others?</p> | <p>The successful Offeror will have a 30 percent SB utilization goal, inclusive of a 10 percent DBE goal and a 3 percent DVBE goal, based on the total contract value over the entire term of the contract. However, the successful Offeror will be required to report its progress towards this goal on a monthly basis.</p> |
| 5 | <p>We only found page 1 of 5 for Form G, page 2-4 is missing. Form H, we only found page 2 of 5 to 5 of 5. Page 1 is missing for Form H. Is it a typo or is there some of the content not showing?</p> | <p>Form G is 1 page long and is labeled Page 1 of 5. Form H is four pages long and is labeled Page 2 of 5 to Page 5 of 5. No pages are missing from the package. The page numbering will be corrected in Addendum 2.</p> |
| 6 | <p>For Form A and Form G, if the Offeror is a JV, shall Form A and Form G be completed separately by each JV member or should it be compiled into one document with each member’s authorized signature in the end?</p> | <p>One copy of Form A should be executed by the Offeror and all Equity Members. Offerors should include as many signature blocks as necessary on the same copy of Form A. Offerors shall submit a separate Form G for each of the Offeror, each Equity Member, and the Lead Operator.</p> |
| 7 | <p>Do “Lead Contractor” in Form C and “Lead Offeror” in Entity Role in Form D mean the same?</p> | <p>Yes. This is also the same as the Lead Operator on Form G.</p> |

| No | Question | Authority Response |
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| 8 | <p>For the Phase 1 of the contract, the high speed operator that wins this tender will work alongside the Authority and its advisors for six years. For the phase 2 of the contract, a Franchise Agreement will be negotiated. This second phase will have two periods: the pre-operations period and the initial operations period.</p> <p>For subsequent operations periods, California High Speed Authority will launch the process to select a new operator in due course.</p> <p>Will the operator of the initial operations period be allowed to take part in those processes?</p> | <p>The operator procured through this procurement for Phase 1 and Phase 2 services will not be conflicted out of bidding on follow-on operator contracts.</p> |
| 9 | <p>There are some ambiguity in statement in Clause 6.4.1, “Management of, or interface with, maintenance contracts for rail infrastructure and the procurement of rolling stock and experience with a range of different types of such system”, which seems to state Early Train Operator would be required to indicate its experience in multiple types of high speed rail systems. Please clarify what is really required in this section and definitions of various terms such as “types of such system”</p> | <p>Offerors should provide their experience managing and interfacing with maintenance contracts for high-speed rail infrastructure and rolling stock, and include their experience managing and interfacing with maintenance contracts for a range of different types of high-speed rail infrastructure and rolling stock systems, as stated in Part A, Section 6.4.1.</p> |
| 10 | <p>This section specifically requires</p> <ul style="list-style-type: none"> - To the extent applicable, operation of an intercity rail system outside the Lead Operator’s country of origin; and - To the extent applicable, operation of an intercity rail system in the United States. <p>We understand that the requirements of the experience on an intercity rail system outside the Lead Operator’s country of origin and that in the United States in this section could limit numbers of potential experienced operators in the world to participate in the Early Train Operator procurement, and these requirements should be revised to maximize opportunities.</p> | <p>Offerors should provide a detailed discussion of their understanding of these project elements and project requirements, and explain how they would approach the risks and challenges listed in Part A, Section 6.4.3, as stated in Section 6.4.3.</p> |
| 11 | <p>This document certainly describes the Authority’s relevant procurements to revenue operations, including procurements for high-speed rail trains, track and systems and stations, and it seems those procurement will not take place until the early operator is on board and has provided input. Please indicate when these procurements will actually take place.</p> | <p>Offerors should refer to “Agenda Item 5: Consider Providing Approval to Release a Request for Qualifications for the Early Train Operator” from the December 13, 2016, Authority Board of Directors Meeting and the 2016 Business Plan, both available on the Authority’s website.</p> |

| No | Question | Authority Response |
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| 12 | <p>According to this Exhibit A Section 1, “consultation” for the below task are included.</p> <ul style="list-style-type: none"> a. Authority procurements relevant to revenue operations, including procurements for high-speed rail trains, track and systems and stations. d. High-speed rail train fleet size and design and interior layout. g. Operations control systems including dispatching responsibilities. <p>We are concerned that the Early Train Operator’s input, preference or decision could be based on actual experience and the design of the particular high speed rail design or system, which eventually would eliminate the other designs that the selected Early Train Operator is not familiar with or prefer to and the Authority would lose fair and reasonable practice and process in future bidding for the rolling stock or rail infrastructure system. We believe those situation should be avoided. Further, we are also concerned that input from the selected Early Train Operator on fleet size, security & safety arrangement, etc. would have a significant impact on cost and schedule for the future procurements as well. Please consider how to control and manage.</p> | <p>Thank you for your comments.</p> |
| 13 | <p>It is our understanding that actual ridership revenue (fare box) may not be able to cover costs of operations and maintenance during the ramp up period (or Phase 2 operations) while Proposition 1A clearly prohibits the state subsidies. This means the Early Train Operator should be responsible for any risk associated with ridership during the ramp up period while ramp up could be combined with subsequent period of operations since subsequent Operator may have an ultimate plan to mitigate such risk. Please explain the Authority’s intention to separate ramp up period form Phase Operations.</p> | <p>The Financial Plan for Phase 2 of the contract, including its term, will be agreed during Phase 1 (see Part A 1.0 for background). Additional details will be provided in the RFP.</p> |
| 14 | <p>Also it is our understanding that the Authority has a right to terminate any part of pre-development agreement or scope under Phase 2 if and when the Early Train Operator cannot agree on terms of a Franchise Agreement or a financial plan for operations for some reasons. Please explain if there is any mechanism in that process, and whether or not any penalty will be imposed associated with such termination.</p> | <p>Offerors should refer to Exhibit A: Phase 1 Scope of Work and Exhibit B: Phase 2 Scope of Work. Additional termination language will be provided in the RFP.</p> |
| 15 | <p>According to Section C of Part B, page 4 of 11, in order to complete Form H: Past Experience, is it correct that past train operations contracts experience can be provided by "the Offeror and Lead Offeror Team members" according to the wording of the mentioned section, meaning that such experience can be provided by designated Subcontractors and consultants within the Offeror Team?</p> | <p>Form H should only include experience on project by the Offeror Team members listed in Part A, Section 6.1.</p> |

| No | Question | Authority Response |
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| 16 | Is it also correct that the aforementioned wording and understanding will prevail over Part A, section 6.1 Responsiveness, page 16 of 24, since the former specifies that "the Offeror and Lead Offeror Team members" can provide the operating experience to complete Form H and the SOQ will be responsive within the RFQ? | Form H should only include experience on project by the Offeror Team members listed in Part A, Section 6.1. |
| 17 | Last day to submit written questions due to Authority Tuesday, January 10, 2017 Considering the magnitude of this project, would the Authority consider extending the due date by at least 21 days in order to give proponents more time to familiarize ourselves with the program, to review relevant regulatory and legal obligations? | The time to ask questions and submit SOQs has been extended in Addendum 1. |
| 18 | Definition of financial capability Could the Authority please define the term "financial capability" and how it will be applied during the RFQ phase? | Financial capability of the Offeror to provide both Phase 1 and Phase 2 services will be determined by the Authority as described in 6.3.4 based on the information provided by Offeror as set out in Part B Volume 2. |
| 19 | Operations Period The services to be provided and performed by the Operator during the initial Operations Period will be set forth in the Franchise Agreement and will include, but are not limited to, the following categories: 12. Ridership and passenger revenue forecasts; 13. Operations and maintenance cost estimates; Point 12 and 13 are not forecasts or estimates these are real results as this is during the actual operations period. Should forecasts and estimates be carried out even after the start of operations? | Offerors should refer to Exhibit B: Phase 2 Scope of Work. More detail will be provided in the RFP. |
| 20 | Selection of Proposal that "offers the best value to the Authority." Could the Authority please define the criterias against which "best value" will be evaluated. | The best value criteria will include both technical criteria and price. This criteria will be provided at the RFP stage of this procurement. |

| No | Question | Authority Response |
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| 21 | <p>1. Consultation on:</p> <ul style="list-style-type: none"> a. Authority procurements relevant to revenue operations, including procurements for high-speed rail trains, track and systems and stations. Accordingly, those procurements will not take place until the early train operator is on board and has provided input; b. Optimizing whole life, capital, operating and maintenance, and life cycle costs associated with rolling stock, track and systems and stations; c. Station design and operations; d. High-speed rail train fleet size and design and interior layout; e. Fare integration and inter-operability between transportation operators connecting with or to the System; f. Security and safety arrangements for the System; g. Operations control systems including dispatching responsibilities; and, h. Opportunities to maximize System revenues, including ancillary revenue opportunities. <p>This list a – h does not include the impact of infrastructure design on operations concept or time table stability, timetabling or personell planning. Should this list include the above?</p> | <p>The Scopes of Work for Phase 1 and Phase 2 are provided in Exhibit A and Exhibit B of the RFQ.</p> |
| 22 | <p>Station design and operations</p> <p>What is included in station design? How much of the design is fixed? And how much could be changed in Phase 1? For example is the track layout in the station area already fixed, as in location and number of switches?</p> | <p>The Phase 1 Scope of Work includes consulting on future infrastructure procurements, including track, systems, and stations prior to the release of those procurements.</p> |
| 23 | <p>Please confirm that the Operator will only assist in the procurement of the rolling stock and/or other track and systems infrastructure and that the actual acquisition of these items will be by the Authority.</p> | <p>The Authority anticipates that the track, systems, and trainsets will be procured by the Authority.</p> |
| 24 | <p>The RFQ provides that the Authority may draw upon Operator’s performance security for failure to negotiate or execute the Franchise Agreement in good faith or otherwise to fulfill the terms of the Pre-Development Agreement. What does the term good faith mean in the context of this provision which seems to require prospective proposers to commit to an agreement of terms and conditions which are presently unknown?</p> | <p>Additional information regarding the Offeror’s performance security will be provided in the RFP.</p> |
| 25 | <p>Does the 30% Small Business utilization goal apply to Phase 1 and 2 equally, or can the goal be spread among the two phases, e.g. 5% in Phase 1 and 25% in Phase 2?</p> | <p>The Phase 1 Scope of Work and Phase 2 Scope of Work will be performed under separate contracts. The Small Business utilization goals will apply separately to each contract.</p> |

| No | Question | Authority Response |
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| 26 | What operating rules are expected to govern train operations? | All applicable laws, regulations, and rules will apply. |
| 27 | What U.S. safety regulations are expected to govern train operations, maintenance of equipment and maintenance of way services, and does the Authority expect to seek waivers of these regulations or orders of particular applicability with regard to any such matters? | All applicable laws, regulations, and rules will apply. |
| 28 | What safety, ADA and Buy America regulations does the Authority expect will apply to the rolling stock design and acquisition, and does it expect to seek waivers of any of those regulations? | These issues will be addressed separately in the appropriate procurement. |
| 29 | What maintenance of equipment methodologies, techniques or frameworks does the Authority expect to be performed? | These issues will be addressed separately in the appropriate procurement. |
| 30 | Please clarify the types of and specifications for safety programs that are expected to be implemented? | All applicable laws, regulations, and rules will apply. Offerors should reference the Scopes of Work for Phase 1 and Phase 2 in the RFQ. The rules, regulations, and guidelines are in the process of being developed. More information will be provided at the appropriate time. |
| 31 | What are the Authority's expectations with respect to training for train and engine crews? | All applicable laws, regulations, and rules will apply. Offerors should reference the Scopes of Work for Phase 1 and Phase 2 in the RFQ. The rules, regulations, and guidelines are in the process of being developed. More information will be provided at the appropriate time. |
| 32 | What are the Authority's expectations with respect to training for conductors? | All applicable laws, regulations, and rules will apply. Offerors should reference the Scopes of Work for Phase 1 and Phase 2 in the RFQ. The rules, regulations, and guidelines are in the process of being developed. More information will be provided at the appropriate time. |
| 33 | Is the Offeror expected to have experience complying with U.S. rail safety laws and regulations? | Offerors are not required to have experience complying with U.S. rail safety laws and regulations, but Offerors that do have this experience should include it as appropriate in their SOQs. Offerors should have experience implementing safety programs and safety records, as stated in Part A, Section 6.4.1. |
| 34 | Is the Offeror expected to have experience complying with U.S. and (if applicable) state laws and regulations governing ADA/access for disabled individuals and Buy America requirements? | Offerors are not required to have experience complying with state and federal ADA/accessibility and Buy America requirements, but Offerors that do have this experience should include it as appropriate in their SOQs. |
| 35 | Is the Offeror expected to have experience complying with U.S. safety laws and regulations (e.g., FRA Class 8 track and Tier II passenger equipment regulations) applicable to the operation of passenger trains in excess of 125 mph? | Offerors are not required to have experience complying with U.S. rail safety laws and regulations, but Offerors that do have this experience should include it as appropriate in their SOQs. Offerors should have experience implementing safety programs and safety records, as stated in Part A, Section 6.4.1. |

| No | Question | Authority Response |
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| 36 | Is the Offeror expected to have experience complying with applicable Federal and/or state labor laws and regulations, or experience in negotiating and administering labor agreements subject to such laws and regulations? | Offerors are not required to have experience complying with state or federal labor laws and regulations, but Offerors that do have this experience should include it as appropriate in their SOQs. Offerors should have experience with labor relations, management and negotiations, as stated in Part A, Section 6.4.1. |
| 37 | Is the Offeror expected to have experience coordinating and partnering with states and U.S. local governments and agencies regarding the operation of passenger rail service, and in providing connections between such services and the services of other rail operators and modes? | Offerors are not required to have experience coordinating and partnering with U.S. state and local governments, but Offerors that do have this experience should include it as appropriate in their SOQs. Offerors should have experience coordinating and partnering with stakeholders, including connecting transportation agencies, as stated in Part A, Section 6.4.1. |
| 38 | Is the Offeror expected to have experience in marketing and branding intercity transportation services to U.S. customers? | Offerors are not required to have marketing and branding intercity transportation services to U.S. customers, but Offerors that do have this experience should include it as appropriate in their SOQs. Offerors should have experience marketing and branding high-speed rail, as stated in Part A, Section 6.4.1. |
| 39 | Is the Offeror expected to have experience complying with federal laws and regulations governing the security of U.S. rail operations, and in working with and developing partnerships with federal agencies responsible for security and anti-terrorism activities (e.g., Transportation Security Administration, Federal Bureau of Investigation)? | Offerors are not required to have experience complying with U.S. rail security laws and regulations, but Offerors that do have this experience should include it as appropriate in their SOQs. Offerors should have experience implementing safety programs and safety records, as stated in Part A, Section 6.4.1. |
| 40 | Is the Offeror expected to have experience with the start-up of new passenger rail services in the United States? | Offerors are not required to have experience with the start-up of new passenger rail services in the U.S., but Offerors that do have this experience should include it as appropriate in their SOQs. Offerors should indicate how they can innovatively manage and minimize risks and challenges associated with the delivery and operation of a greenfield high-speed rail system, as stated in Part A, Section 6.4.3. |
| 41 | Must all services, including those performed by non-key personnel and subcontractors, be provided at the Authority's offices in Sacramento? | Offerors should include a staffing plan demonstrating an integrated organization throughout the performance of the Services, as stated in Part A, Section 6.4.2.1. This staffing plan should include expected staff locations as it relates to delivery of the Services. |
| 42 | Section B, Surety Letter states that the Authority anticipates a bid bond in the amount of \$1,000,000 will be required for entering into the Franchise Agreement at the end of Phase 1 of the Services. Please confirm that the Authority may only draw upon this security for Offeror's failure to negotiate or execute the Franchise Agreement in good faith. | Specific provisions regarding bonds will be provided in the RFP (see Part A, Section 3.5 of the RFQ). |

| No | Question | Authority Response |
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| 43 | Are there any limitations on which Phase 1 services can be subcontracted? | Subcontracting is anticipated under the Phase 1 Scope of Work. Offerors should refer to the Organization and Management Approach requirements in Part A, Section 6.4.2.1. |
| 44 | Please clarify the Federal and state labor relations and work force requirements that the Authority expects will apply to the Services. | All applicable laws, regulations, and rules will apply. |
| 45 | What type of security services does the Authority expect the Operator to provide? | All applicable laws, regulations, and rules will apply. |
| 46 | Are there any limitations on which Phase 2 services can be subcontracted? | Subcontracting is anticipated under Phase 2 Scope of Work. Offerors should refer to Exhibit B: Phase 2 Scope of Work. |
| 47 | In its transmittal letter, an Offeror is required to represent and warrant that it has not been terminated from another contract for default, or has not received a civil judgement or criminal conviction in the past five (5) years. Is a prospective Offeror prohibited from competing in the solicitation process if it is unable to make such a representation with respect to civil judgements? Would the Authority consider deleting the phrase “or has not received a civil judgement”? If no, will the Authority revise the language to add some level of materiality, e.g. no civil judgements beyond what Offeror has disclosed in its annual report? | <p>The purpose of this requirement is to verify that there are no civil judgments for which the prospective Offeror or a member of the Offeror’s team is responsible for which might, in the judgment of the Authority, reasonably be expected to hinder or prevent the prompt and full performance of the contract, if awarded.</p> <p>The requirement will be modified in Addendum 2 to permit an opportunity to disclose.</p> |
| 48 | ”The Phase 1 Pre-Development Agreement shall set forth...the metrics to govern’ Operator’s eligibility for performance-based incentives.” Please explain how performance metrics will be established and the role of the Operator in that process. | Additional information regarding the performance metrics will be provided in the RFP. |
| 49 | “The SB Program will be incorporated by reference into any contract resulting from this procurement.” Is the SB Program referenced in this sentence the SB Program developed by the Authority or a program developed by the Operator? | The SB Program referenced in the last paragraph of Part A, Section 3.3 refers to the Authority’s Revised Small and Disadvantaged Business Enterprise Program, which can be found at http://www.hsr.ca.gov/Programs/Small_Business/policy.html . |
| 50 | “The Authority anticipates that the Operator will be required to assume certain liabilities with respect to the operation of the System, to provide performance bonds, insurance coverage, and to indemnify and defend the Authority against third party claims as specified in the contracts.” Can the Authority provide the required insurance coverages and performance bonds that will be required by the Operator? Or ranges for each if the specifics are not known at this time? | The Authority appreciates the critical nature of this issue. Additional information will be provided in the RFP. |

| No | Question | Authority Response |
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| 51 | <p>SOQs due to Authority Thursday, February 16, 2017</p> <p>Considering the magnitude of this project, would the Authority consider extending the due date for SOQs by at least 60 days in order to give proponents more time to familiarize ourselves with the program, to review relevant regulatory and legal obligations, to form teams and to prepare SOQs? If the Authority agrees to extend the due date, please also extend the deadline for questions.</p> | <p>The time to ask questions and submit SOQs has been extended in Addendum 1.</p> |
| 52 | <p>Selection of Proposal that “offers the best value to the Authority.”</p> <p>Could the Authority please define the term “best value” and how it will be applied during the RFP phase.</p> | <p>The best value criteria will include both technical criteria and price. This criteria will be provided at the RFP stage of this procurement.</p> |
| 53 | <p>Definition of financial capability</p> <p>Could the Authority please define the term “financial capability” and how it will be applied during the RFQ phase?</p> | <p>Financial capability of the Offeror to provide both Phase 1 and Phase 2 services will be determined by the Authority as described in 6.3.4 based on the information provided by Offeror as set out in Part B Volume 2.</p> |
| 54 | <p>A franchise agreement wherein the Operator assumes certain liabilities and revenue risks and ongoing costs associated with train operations; Can the Authority identify more specifically the “certain liabilities” that the Operator will be required to cover?</p> | <p>The Authority appreciates the critical nature of this issue. Additional information will be provided in the RFP.</p> |
| 55 | <p>Station design and operations; Fare integration and inter-operability between transportation operators connecting with or to the System; 7A) Is it the intent of the Authority and other California transit agencies to ultimately develop schedules that are aligned to allow passengers to transfer to and from CHSR to other modes of transportation? 7B) Does the Authority have ability to persuade other transit operators to adjust their schedules to provide more efficient and effective connectivity to CHSR and to other transit modes? 7C) Does the Authority have ability to persuade other transit operators implement fare integration to provide more efficient and effective connectivity to CHSR and to other transit modes? This schedule and fare interconnectivity or potential lack of connectivity between transit modes could impact ridership levels.</p> | <p>The Authority anticipates that development of a plan to address these issues will be included in the Scope of Work for Phase 1.</p> |
| 56 | <p>Knowledge of “federal and state labor relations and workforce requirements.”</p> <p>Will employees of the Operator be required to be covered by the Federal Railroad Retirement Act, the Federal Railroad Unemployment Insurance Act, and/or the Federal Employers Liability Act? If so, at what point in the process will the Offeror/Operator be expected to obtain status as a “covered employer” by the U.S. Railroad Retirement Board?</p> | <p>The Operator will be governed by the applicable laws in effect at the time the Franchise Agreement is executed.</p> |

| No | Question | Authority Response |
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| 57 | <p>“Key provisions of the Franchise Agreement will include, but are not limited to the following...</p> <p>3. Plans to mitigate costs and risks associated with operating the system”</p> <p>Does this provision refer to mitigating costs and risk with regard to the Authority or the Operator?</p> | <p>Yes, it refers to both.</p> |
| 58 | <p>Scope includes: “Management of specified elements of the System (which may include High-Speed Rail Trains, Track and Systems and Stations)”</p> <p>Please elaborate on the Authority’s thinking regarding maintenance.”</p> <p>The RFQ is not specific about what the Operator’s maintenance responsibilities will entail (other than environmental). The 2016 Business Plan seems to indicate on the one hand that maintenance responsibilities will be included in the vehicle supply and construction contracts and on the other hand that the Operator will be responsible for maintenance costs (see 2016 Business Plan, pp. 41-42)</p> | <p>Day-to-day maintenance responsibility will rest with the relevant contractor (as set out in the 2016 Business Plan). Payment for maintenance activities will be drawn from system wide revenues, collected by the Train Operator. The arrangements for this will be included in the Franchise Agreement. Further information will be provided in subsequent procurements.</p> |
| 59 | <p>“The Early Train Operator will be required to successfully achieve such service and performance metrics in order to be retained for the full term of the franchise agreement. Such metrics may include meeting or exceeding specified revenue, schedule and ridership goals and achieving appropriate safety, stakeholder and passenger satisfaction metrics”</p> <p>Since the Franchise agreement will place the risk of ridership/revenue on the Operator, please explain how free the Operator will be to establish service levels and fares, given external public policy constraints related to other factors such as equity, integration with other services, affordability, etc.</p> | <p>Additional information will be provided in the RFP. Offerors should also refer to “Agenda Item 5: Consider Providing Approval to Release a Request for Qualifications for the Early Train Operator” from the December 13, 2016, Authority Board of Directors Meeting and the 2016 Business Plan, both available on the Authority’s website.</p> |
| 60 | <p>Breakeven probability is said to be low in the very early years of the Silicon Valley to Central Valley line for both Medium and Low cases.</p> <p>“The Authority has a number of contracting strategies that will allow it to cover any early year losses based on revenues exceeding costs in later years within the contract structure. This will ensure that there will not be a time that the Authority will have to provide a subsidy to an operator.”</p> <p>Please elaborate on what types of “contracting strategies” the authority envisions regarding likely losses in the very early years of the contract.</p> | <p>During Phase 1 the Early Train Operator will have significant input on key factors (including contracts) affecting net operating revenue during the early years of Phase 2. Please see Exhibit A Phase 1 Scope of Work for references to various relevant contracts.</p> |
| 61 | <p>Due to the complexity of the response requirements of RFQ 16-13, can the Authority grant an extension for the RFQ response of six weeks from the current date of February 16, 2017?</p> | <p>The time to ask questions and submit SOQs has been extended in Addendum 1.</p> |

| No | Question | Authority Response |
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| 62 | <p>Section 7.9, states that, <i>“the Offeror waives all rights and remedies and agrees that the Authority’s decision on protest is final and conclusive. And if Offeror disputes or does not follow these proscribed protest procedures, it has to indemnify the Authority against all liabilities, fees and costs incurred as a result of Offeror’s Actions.”</i></p> <p>We request that this clause be amended to state that such indemnification applies only if Offeror loses its Protest.</p> | <p>The sentence referenced in Section 7.9 is clear in its scope when read as a whole: “If an Offeror disregards, disputes, or does not follow the exclusive protest remedies provided in this Section 7.0, it shall indemnify and hold the Authority and its officers, employees, agents, and consultants harmless from and against all liabilities, fees and costs, including legal and consultant fees and costs, and damages incurred or suffered as a result of such Offeror’s actions.”</p> |
| 63 | <p>Can the Authority clarify the intent of the following clause within the RFQ <i>“services described are not exclusive for Phase 1 and the Authority reserves the right to enter into other agreements covering the same or similar services or to perform the same or similar services itself or thru its agents.”</i></p> | <p>The proposed Scopes of Work listed in Exhibit A and Exhibit B include broad areas under which other consultants or contractors, or state employees, may be working.</p> |
| 64 | <p>Can the Authority clarify if the 30 percent overall Small Business Participation utilization goal (including 10 percent DBE and DVBE goals) is a requirement during Phase 1 of this procurement or if best efforts to reach this goal will suffice?</p> | <p>The Phase 1 Scope of Work and Phase 2 Scope of Work will be performed under separate contracts. The Small Business utilization goals will apply separately to each contract. Form G requires Offerors to commit to aggressively pursue Small Business participation to the satisfaction of the Authority to meet or exceed the overall project Small Business goal. Offerors should also refer to Part A, Section 3.3 and the Authority’s SB Program, which can be found at http://www.hsr.ca.gov/Programs/Small_Business/policy.html, for further information.</p> |
| 65 | <p>Part A, Section 5.4 of the RFQ states that (1) original and seven (7) hard copies are required, but later states that spines need to be numbered 1-6. Can you please clarify if 6 or 7 copies are required in addition to the one original.</p> | <p>Per Part A, Section 5.4 of the RFQ, Offerors shall submit one original and seven hard copies. The copies should be labeled 1 through 7 on their spines. This will be corrected in Addendum 2.</p> |
| 66 | <p>Please clarify in further detail what will be required to seek Authority approval in reference to RFQ Part B, Section D, Number 2. Currently this clause indicates that if changes are made to named key personnel, in the RFP response from those made in the RFQ, this may result in bidder disqualification in the next stage in the procurement.</p> | <p>Offerors who seek to replace Key Personnel identified in their SOQ after the SOQ deadline will be required to submit a written request to the Authority. Failure to obtain prior Authority approval may result in disqualification. Additional information will be provided in the RFP.</p> |
| 67 | <p>Please clarify if the RFQ Evaluation Scores of shortlisted providers will be carried over to include with the evaluation of the RFP? i.e. will final selection be based on cumulative points of both the RFQ and RFP? We believe a cumulative score will provide the Authority with the best value in selecting an experienced provider that also evidences a comprehensive operational approach.</p> | <p>Scores will not be carried over from the RFQ stage to the RFP stage.</p> |

| No | Question | Authority Response |
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| 68 | <p>In RFQ16-13, Part C, Exhibits, Page 1 of 3, Exhibit B: Phase 2 Scope of Work, there is no reference to operations & maintenance services for the rolling stock, systems and facilities of the Project being the responsibility of the Operator. Please confirm that such services are not part of the Phase 2 scope of work of the Operator. Please also clarify how the Authority envisions these services being procured and carried out.</p> | <p>Offerors should refer to Exhibit B: Phase 2 Scope of Work for the types of activities that will be included in the Franchise Agreement. Further information will be provided in subsequent procurements.</p> |
| 69 | <p>Question 7 of the Past Performance Form E, asks for the firm to include contracts awarded by a department, division, or other State of California agency within the past ten years.</p> <p>Under a separate division of our company, we have a large number of contracts that have been awarded within the state over the past ten years. Answering this question in the current format would result in a very long response. Can the Authority clarify in further detail guidelines for companies who have a large presence in the State of California and their suggested way to identify key contracts to list in their response?</p> | <p>Offerors should list relevant State contracts on Form E. Form E will be updated in Addendum 2 to reflect this clarification.</p> |
| 70 | <p>Will the Authority consider contracting with the Operator for only Phase 1 Services or only Phase 2 Services as opposed to contracting with the Operator for both Phase I and Phase 2 Services?</p> | <p>No. While the Authority and the Operator will execute a separate contract for the Phase 1 Services and for the Phase 2 Services, the Authority will issue only one award at the conclusion of the procurement. Further, the Authority will only select as the Operator a firm or other entity that is contractually committed, pursuant to the Pre-Development Agreement, both to perform the Phase 1 Services and to negotiate the terms of the Franchise Agreement for the provision of the Phase 2 Services.</p> |
| 71 | <p>Do small businesses need to be registered in California to count towards the Authority's 30% Small and Disadvantaged Business goal?</p> | <p>Yes, Small Businesses need to be registered in accordance with the Small and Disadvantaged Business Enterprise Program, available at http://www.hsr.ca.gov/Programs/Small_Business/policy.html. The Authority will also host a discussion related to Small Business registration at the Pre-Bid Conference during the RFP phase of this procurement.</p> |