Request for Proposals for High-Speed Trainsets and Related Services

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Agenda

• Board Actions Requested
• Request for Qualifications (RFQ) Results
• Shortlisted Offerors
• Request for Proposals (RFP) – Scope
• RFP – Evaluation Criteria
• RFP – Key Dates
• Questions
Board Actions Requested

• Seeking Board approval for:
  » Issuance of a Request for Proposals (RFP) for High-Speed Trainsets and Related Services; and
  » Authorization for Authority staff to make changes to the RFP as part of the procurement process

• Authority staff will return to the Board for approval to award the contract and issue the first two notices to proceed, NTP 1 and NTP 2, in late 2024
• Authority staff will return to the Board for approval of subsequent NTPs
Request for Qualifications (RFQ) Results

- Board approval to release Trainsets RFQ was provided on August 24, 2023
- The Trainsets RFQ was released on August 25, 2023
- Two Offerors submitted their Statements of Qualifications (SOQs) by November 14, 2023
- Authority completed evaluations on December 21, 2023
- Authority’s evaluation team found both SOQs fully responsive
- Both Offerors are shortlisted and will be invited to submit Proposals for the Authority’s RFP for High-Speed Trainsets and Related Services:
  - Alstom Transportation Inc.
  - Siemens Mobility Inc.
Shortlisted Offerors

• Both Offerors:
  • Have experience and presence in the United States
  • Are experts in the rolling stock industry relative to passenger equipment ranging from streetcars to high-speed trainsets
  • Are internationally recognized and have significant experience with the design, manufacture, delivery, and maintenance of high-speed trainsets
  • Have been key participants in industry efforts relative to the development of regulatory language for FRA Tier III train requirements
RFP – Scope

- Procurement of six trainsets capable of operating at 220 mph, and tested to 242 mph:
  - Two prototypes to support static/dynamic testing and trial running
    - Delivery to Authority four years from Notice to Proceed
  - Four production trainsets to support revenue operations of the Early Operating Segment (Merced to Bakersfield)
    - Ready for revenue service by 2030 - 2033

- To meet goals, a trainset manufacturer must be under contract in 2024

- Procurement also includes deliveries of the driving simulator and trainset spares

- Provision of 30 years of trainset maintenance, inclusive of a mid-life overhaul
RFP – Scope, continued

• Contract will be a supply-maintain agreement
• Trainsets will be designed to meet performance-based requirements
• Scope of work includes the following:
  » Design, manufacture, delivery, integration, testing, and commissioning of the trainsets;
  » Maintenance of each trainset for 30 years, including a mid-life overhaul, and provision of all spares (i.e., interchangeable parts of a trainset) for such trainsets;
  » Design, manufacture, installation, testing, commissioning, maintenance, and update of the driving simulator;
  » Development and provision of design criteria to inform interfaces with the facilities, track, systems, and stations;
  » Participating in the testing and commissioning of the facilities, track, systems, and stations;
  » Development and provision of information to support the certification and subsequent commissioning of the trainsets; and
  » Operation and maintenance of the equipment needed to maintain the trainsets within the Heavy Maintenance Facility (to be built by others)
RFP – Scope, continued

- Current P50 estimate as per 2023 Project Update Report is $533.68M for six trainsets and the driving simulator

- Breakdowns for the Notices to Proceed (NTPs) are as follows:
  - **NTP 1:**
    - Identification of Critical Interfaces; Mobilization and Engineering Design Services
    - Two Prototype Trainsets and Static + Dynamic Testing
    - Four Production Trainsets and Pre-Revenue Testing
    - Provision of Trainset Spares
  - **NTP 2:**
    - Driving Simulator
  - **NTP 3:**
    - Delivery of an option order of up to fifteen additional trainsets
  - **NTP 4:**
    - Commencement of the Overall Trainset Service Period, including the planning and coordination efforts related to the mid-life overhaul
  - **NTP 5:**
    - Commencement of the Mid-Life Overhaul for the trainsets

Note: Board approvals required prior to issuances of NTPs 3, 4, and/or 5.
RFP – Evaluation Criteria

• General proposal review (e.g., responsiveness, pass/fail review, financial capacity, etc.)

• Best value evaluation
  » Weighting: 60% Price and 40% Technical
  » Price includes capital delivery costs of the six trainsets, spares, and driving simulator and operational costs for maintenance and the mid-life overhaul
RFP – Evaluation Criteria, continued

• Responsiveness to programmatic elements
  » Compliance with **Buy America Provisions**
    o FRA’s Buy America statute requires final assembly of trainsets to be in the U.S. from 100% domestic components, unless justified waivers granted by U.S. Secretary of Transportation;
    o Based on dollar value, over 90% of high-speed trainset components are domestic, but certain items are still not produced in the U.S.;
    o FRA waivers have been requested by others in the industry, including Amtrak and Brightline West;
    o Authority’s proposers will be required to submit formal requests for limited waivers, if any, for specified components;
    o Authority will work with FRA on the issuance of waivers, consistent with industry practice; and
    o Authority staff will issue an addendum to the RFP to reflect any granted (or rejected) FRA waivers and extend the Proposal deadline if needed.
• Responsiveness to programmatic elements, continued
  » Compliance with **Authority’s Small Business Program (2023 Revision)**
    o The contract will be a blend of state and federal funds. Goals include:
      ▪ 25% Small Business (SB) on state portion --
        ✓ Inclusive of 3% Microbusiness (MB);
      ▪ 3% Disabled Veteran Business Enterprise (DVBE) on total contract value; and
      ▪ 10% Disadvantaged Business Enterprise (DBE) on total contract value
    o The contract will permit the Authority to withhold issuance of an NTP or a portion of an NTP if the Authority is not satisfied with the contractor’s SB Performance Plan and effort.
    o Evaluation and scoring of proposals will include:
      ▪ Proposer’s approach and process to develop SB/DBE/DVBE participation throughout contract term;
      ▪ Proposer’s list of SBs, MBs, DVBEs, and DBEs, their scopes, percentage of work, qualifications, and experience; and
      ▪ Proposer’s SB commitments and SB communication plan
RFP – Evaluation Criteria, continued

• Responsiveness to programmatic elements, continued
  » Labor Compliance and Labor Organizations

  o The contract will require the contractor to comply with all applicable state and federal laws and regulations.

  o The contract will require the contractor to assume the obligations of the Memorandum of Understanding with Signatory Labor Organizations regarding the performance of traditional rail work that includes the inspection, maintenance and/or repair of trainsets and/or maintenance facilities.
RFP – Evaluation Criteria, continued

• Responsiveness to programmatic elements, continued
  » Labor Compliance – Submittal of a draft U.S. Employment Plan
    o Proposers will be scored on their draft U.S. Employment Plan, which includes:
      ▪ Identification of U.S. locations of final assembly and manufacture of trainsets and trainset components;
      ▪ Description of jobs created and/or retained;
      ▪ Job compensation and benefits such as medical and dental coverage, retirement, paid sick leave and paid vacation;
      ▪ Workforce training plans, including dollar commitment for workforce development, apprenticeship, and training programs;
      ▪ Outreach and recruitment for new hires, entry level positions, and disadvantaged workers; and
      ▪ Approach to encourage subcontractor and supplier participation in the U.S. Employment Plan
    o The contract will permit the Authority to withhold issuance of an NTP or a portion of an NTP if the Authority is not satisfied with the contractor’s effort to fulfilling its U.S. Employment Plan
    o Contract will require annual reports on Contractor’s adherence to the commitments made in its U.S. Employment Plan
RFP – Key Dates

Board Approval to release RFP  
April 11, 2024

Release RFP to the shortlisted teams:  
Mid-April 2024

HSR Small Business Fast-Track Networking Fair:  
May 7, 2024

RFP Addendum, if needed:  
Summer 2024

Proposals Due:  
Fall 2024

Board Approval to award contract and issue NTPs 1 & 2:  
Quarter 4, 2024
Questions