

REQUEST FOR PROPOSALS

RFP-2014-0206-ACQ

OTHELLO TO ROYAL CITY RAIL LINE

Proposal Due Date and Time

March 19, 2014 12:00 PM Noon Pacific Time

The RFP Coordinator is the **SOLE POINT OF CONTACT** at WSDOT for this procurement. All communication between the bidding Proposers and WSDOT shall be with the RFP Coordinator.

Tim Carroll, RFP Coordinator
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EXHIBITS

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- Exhibit H** Contact Information for BNSF and Columbia Basin RR
- Exhibit I** **Process for scheduling an escorted inspection of the OTRC**
- Exhibit J** **Economic Development Contacts**

1 INTRODUCTION

1.1 Purpose

The Washington State Department of Transportation hereafter called "WSDOT," is issuing this Request for Proposals (RFP) in accordance with RCW 39.26 to solicit proposals from firms to secure a qualified operator for the Othello to Royal City rail line (OTRC). The OTRC rail line is owned by WSDOT. The OTRC has previously been operated as the Royal Slope Railroad. For the purposes of the RFP, any references to Royal Slope Railroad in this document or its appendices shall mean the OTRC.

WSDOT is seeking an operator that will work with WSDOT, the Port of Royal Slope, local governments, economic development authorities, shippers, Class 1 and short-line railroads. This partnership will work to develop innovative and efficient operating, maintenance and shipping methods in order to provide competitive rail service for the region's rail shipping community and to sustain the operator financially.

1.2 General Background

RCW 47.76.210 authorizes WSDOT to implement a freight rail program for Washington State which supports freight rail service. Rail transportation is important to freight mobility in the state. Rail transportation is important to increasing economic activity in the state. Short-line railroads can play a role in supporting the general state policy. Currently, short lines form an important part of the network for shipping many goods to foreign and domestic markets.

The OTRC is a 25.9-mile rail corridor located in central Washington. WSDOT purchased the OTRC corridor in 1993 to prevent it from being abandoned and to act on its policy of preserving rail infrastructure. The line suffered from years of deferred maintenance until the Port of Royal Slope received a \$750,000 grant from the State of Washington to rehabilitate the line in 2012. The rehabilitation was completed in 2013.

| Past Maintenance & Rehabilitation of the Othello to Royal City corridor | | |
|---|-----------|---|
| 1982 | \$183,218 | Replaced 4,356 crossties, completed 10 miles of surface, line and dress |
| 1982 | \$437,391 | Replaced 12,848 crossties, completed 15 miles of surface, line and dress |
| 1989 | \$15,238 | Trestle repair – replaced top caps |
| 2013 | \$723,501 | Replace 2,700 crossties, regulate 2700 tons of ballast and surface line and dress 2 miles of track, repair 2 washouts |

A Shipper/Operator forum hosted by the Port of Royal Slope in December of 2012 was attended by six operators and by a dozen potential shippers interested in how returning rail service to Royal City could benefit their businesses by increasing transportation options and reducing transportation costs.

The rail line is the only rail route that serves this area of Grant County. Selecting an operator will provide an opportunity for shippers along the line to use the rail as a competitive mode for shipping their products. It will also provide the needed shipping services to attract new and diverse industries to the industrial property along the line.

1.3 Objective

The ultimate objective is to select a private rail operator to develop an economically sustainable operation that meets the rail shipping needs of current and future businesses. A successful operator will have demonstrated experience in business development, good customer service, efficient operations, maintenance and the ability to pursue funding for and complete future track rehabilitation. WSDOT's immediate strategy to reach that objective is to secure an operator that will:

- Operate in an efficient, effective, and safe manner.
- Provide excellent customer service to potential shippers.
- Provide expertise in loading, unloading rail equipment, acquiring line haul rates, submitting shipping instructions and tracking shipments from origin to their destination.
- Work independently and with prospective shippers, WSDOT, Port of Royal Slope, local governments, and economic development agencies to explore new business development opportunities along the line, including site and facility development.
- Maintain the line in its current state, and improve it when economically feasible.
- Identify track maintenance, construction, and rehabilitation projects for public/private partnership considerations.
- Work proactively with the Class 1 railroads to remove barriers that inhibit commerce, and develop alternative methods of operation that meet Class 1 railroads current and prospective business models.
- Work cooperatively with federal and state regulatory agencies.

1.4 Overview of the Othello to Royal City rail line

The OTRC runs approximately 25.9 miles from Othello, WA to the Port of Royal Slope in Royal City, WA. The interchange is with Columbia Basin Railroad at Othello and then with BNSF at Connell.

From Othello (Mile Post (MP) 1989) to Anson (MP 1993), the line travels through relatively flat farm land. As the line continues west, the ground slopes away to the northwest. The line is built along the north slope of the Saddle Mountains, necessitating the line to be built on large cut and fill sections as the line descends 400 feet vertically between Anson and Royal City Jct. (MP 2009.5). Some of the cut and fill sections are over 300 feet in height, with many of the cuts being nearly vertical into basalt bed rock. The fill sections have steep sides and are relatively narrow at the top.

From Royal City Jct. to Royal City the line turns north and crosses the valley of Lower Crab Creek and then climbs up Red Rock Coulee. The climb is on a 2.5% grade and extensive basalt rock cuts and a tall fill. As the line reaches Red Rock Lake, the fill section is about 130 feet high. As the line reaches the industrial area southeast of Royal City, it becomes nearly flat.

The horizontal curves between Othello and Royal City Jct. are relatively gentle with most being 3 degrees or less per 100 feet with only a one mile segment that has tighter curves between 4 degrees and 7 degrees per 100 feet. Between Royal City Jct. and Royal City the branch line is laid out with much tighter curves. Typically the branch line has curves between 3 degrees and 8 degrees per 100 feet with several tighter curves between 9 degrees and 12 degrees per 100 feet.

The Othello-Royal Slope area is naturally arid, but irrigation has led to the development of many agricultural fields on both sides of the line. The line has two bridges. One is near Othello over the Potholes East Canal built in 1952 after the main line was constructed. The other is on the branch line near Royal City Jct. over Lower Crab Creek and was built in 1967. There are also over 80 smaller drainage structures throughout the line, mostly concrete or galvanized steel pipes.

Additional Information on condition of right-of-way and inspections

The following documents provide additional information as to the condition of the rail, ties and right-of-way of the OTRC.

- [Royal Slope Railroad Inspection and Assessment \(WSDOT, October 2009\)](#)
- [Rehabilitation Project – Final Inspection Report \(US Rail Partners, June 2013\)](#)

WSDOT does not warrant the accuracy of the information about the details of the infrastructure condition, operations and economics of the OTRC contained in this RFP or the referenced inspection and assessments or reports. Also, conditions may have changed since the information was gathered or prepared. Proposers should independently verify the accuracy of all such information considered material to its Proposal.

Proposer's that submit a Letter of Intent may arrange an inspection of the line. Exhibit I will be made available to Proposer's after receipt and validation of a Letter of Intent. Exhibit I will provide the process for scheduling an escorted inspection of the OTRC.

1.5 Funding

An appropriation of \$750,000 was provided to Port of Royal Slope in 2012 for rehabilitation of the OTRC. With the exception of materials purchased that have been inventoried and outlined in Exhibit F, the remainder of the appropriation has been expended on rehabilitation, which was completed in 2013. **No current or future funding has been identified or requested to perform any future maintenance of the OTRC or offset any operational losses sustained by any interested Proposer.** Nothing shall

restrict the Proposer from seeking funds from private or public sources to facilitate maintenance or rehabilitation and/or economic development projects.

1.6 RFP Definitions

Definitions for the purposes of this RFP include:

“Appellant” – A Proposer that [appeals](#) a protest

“Operator” – An individual or company whose proposal has been accepted by WSDOT and is awarded a fully executed, written contract.

“Project Manager” –A WSDOT employee who oversees and manages the freight rail program and ongoing contract.

“Project Stakeholders” – Shippers will count on the OTRC for rail service. Project stakeholders include, but are not limited to, port districts, economic development agencies, WSDOT and local businesses.

“Potential Customers” – Businesses located along or near the OTRC that are interested in incorporating rail transportation into the delivery or receipt of products they make or consume.

“Proposal” – A formal offer submitted in response to this solicitation.

“Proposer” – An individual or company submitting a proposal in order to obtain a contract with WSDOT.

“Request for Proposals” (RFP) – A formal procurement document in which a service or need is identified but no specific method to achieve it has been chosen. The purpose of an RFP is to permit the contractor or proposer to suggest various approaches to meet the transportation need at a given price.

“RFP Coordinator” –A WSDOT employee who oversees and manages the RFP process.

“Subcontractor” - One not in the employment of the Proposer, who is performing all or part of the business activities under this RFP under a separate contract with Proposer. The term “Subcontractor” means Subcontractor(s) of any tier.

WSDOT – The Washington State Department of Transportation, a state agency and issuer of this RFP.

2 Terms of this Request for Proposal

2.1 RFP Coordinator

The RFP Coordinator is the **sole point of contact** in WSDOT for this procurement. All communication between the bidding Proposers and WSDOT upon receipt of this RFP shall be with the RFP Coordinator as follows:

Tim Carroll, RFP Coordinator

Phone: 360-705-7595

FAX: 360-705-6815

Email: carrollt@wsdot.wa.gov

All mail must be addressed to:

Tim Carroll, RFP Coordinator

Washington State Department of Transportation

Administrative Contracts Office

310 Maple Park SE 2B1

Olympia, Washington 98504

(Hand Deliveries must go to the first floor Reception Desk)

You may use facsimile and/or email for any communication required in this RFP, EXCEPT for your formal response to this RFP, complaint and/or protest, if any.

Communication regarding this RFP with any other WSDOT personnel will be considered unofficial and non-binding to WSDOT. Proposers are to rely on written statements issued by the [RFP Coordinator](#). Communication directed to parties other than the RFP Coordinator may result in disqualification of the Proposer.

2.2 Schedule of Procurement Activities

All Proposers must adhere to the following schedule of activities. Proposers mailing proposals should allow normal mail delivery time to ensure timely receipt of their proposals by the [RFP Coordinator](#) listed in this RFP. Notwithstanding the provisions of RCW 39.26, late proposals will not be accepted, nor will time extensions be contracted.

| Activity | Due Dates | Time |
|---|----------------------|--------------------------|
| Issue RFP | 02/06/2014 | |
| Mandatory Letter of Intent | 02/14/2014 | 12:00 PM Noon |
| Written Questions Due | 02/28/2014 | 12:00 PM Noon |
| Amendment – Answers to questions | 03/07/2014 | 5:00 PM |
| Proposals Due | 03/19/2014 | 12:00 PM Noon |
| Evaluation of Proposals | 03/20-03/27- 2014 | |
| Notify Top Vendors for Interviews | 03/28/2014 | 5:00 PM |
| Vendor Interviews (if needed) | 04/07- 04/08/2014 | |
| Send Notification of Apparently Successful Proposer | 04/10/2014 | 5:00 PM |
| Vendor Request for Optional Debriefing due | 04/15/2014 | 5:00 PM |
| Contract Start Date | 04/29/2014 | |
| Service Commencement shall be dependent upon completion of all pre-award requirements and execution of contractual agreements. | | |

Times given are for Pacific Standard Time (PST) or Pacific Daylight Time (PDT), as appropriate.

2.3 Exceptions to RFP

Proposers should carefully review this RFP and ALL of its attachments prior to submitting any written questions. Any Proposer wishing to take exception to any of the contents of this RFP must notify the RFP Coordinator in writing as specified in [Section 2.1](#) of this RFP.

2.4 Proposers Questions and Answers

Specific questions concerning this RFP must be submitted in writing to the RFP Coordinator at the address specified in [Section 2.1](#) of this RFP. Faxed and email submission of questions is acceptable. The RFP Coordinator must receive questions no later than 12:00 p.m. noon of the date specified for Written Questions Due in [Section 2.2](#) Schedule of Procurement Activities.

2.5 Mandatory Letter Of Intent to Propose (FAX or Email Acceptable): A letter indicating the Vendor's intent to respond to this RFP must be received by the RFP Coordinator at the address specified in Section 2.1 of this RFP, no later than the date and time listed in Section 2.2. The Vendor may submit the Letter of Intent by U.S. mail, facsimile or email. By

submitting this letter, the Vendor accepts the procedure, review criteria and the administrative instructions of this RFP.

Each Vendor must include the following information in the letter of intent to propose:

1. Vendor name
2. Vendor's authorized representative for this RFP (This representative shall also be named the authorized representative identified in the vendor's proposal)
3. Name and title of authorized representative
4. Address
5. Telephone number
6. FAX number
7. Email address
8. Statement of intent to propose

Only vendors submitting a letter of intent will receive amendments and other information regarding this RFP.

Failure to submit a Letter of Intent to Propose by the deadline specified in [Section 2.2](#) will result in the rejection of the Vendor's proposal.

Note: RFP exhibits, the right to inspect the line will be given only to Proposers who submit a Letter of Intent. Submittal of a Letter of Intent does not bind the entity to submit a proposal. Proposals received without a Letter of Intent being previously submitted in a timely manner will be rejected.

2.6 Mandatory Response Overview

The Proposers must complete a response to each mandatory section. Proposals may be disqualified for not completing proposal sections. Each mandatory Item is noted as **(M)**.

In response to each RFP requirement, Proposers must clearly state whether or not their solution meets the requirement by providing a detailed description of how the proposed solution will meet the requirement. The Proposer will be scored based on how well the Proposer meets WSDOT's requirements. Failure to meet an individual requirement will not be the basis for disqualification; however, failure to provide a response may be considered non-responsive and be the basis for disqualification of the proposal. A response of "not applicable" is a valid response.

2.7 RFP Evaluation

The process for awarding this RFP may be done in phased sections. The Vendor's proposal will be evaluated based on the process outlined below. The top scoring Vendor(s)

will proceed to the next step, if necessary, in this RFP process. Proposals with tied scores will be treated equally and the tied Vendor's proposals will be forwarded to the next phase if they are among the top scoring vendors and further process is chosen.

2.8 Proposal Interviews

Top proposals will proceed on to the interview phase, if needed. A Review Panel will evaluate the proposals passing the administrative review and will also conduct the interviews. Proposals will be evaluated initially upon a pass/fail basis based on an administrative review of the Vendor's submission of the General Requirements provided in Section 6 and whether a complete proposal has been received.

Review Panel evaluations will be based on the written responses submitted by Vendor to the entire RFP. The scores of the written responses will determine the top-qualifying Vendors. Each portion of the written responses shall be reviewed by an evaluation team which will determine the proposal most responsive to the requirements stated in this RFP. Proposals will be evaluated strictly in accordance with the requirements set forth in this RFP and any amendments, which are issued.

The review panel will rank proposers, and short-listed proposers may be interviewed. Vendor's identified project manager is recommended to represent the Vendor in the interview. References will be checked for one or more of the final candidates. WSDOT reserves the right to select a Contractor based solely on written proposals and to not convene oral interviews.

Oral presentations may be utilized in selecting the winning proposal. The top scoring finalists from the written evaluation may make an oral presentation, which will determine the final contract award. The RFP coordinator will contact top-scoring Vendor(s) to schedule a time, and location. Commitments made by the Vendor at the oral interview, if any, will be considered binding.

Oral presentations, if requested, will be limited to one hour and thirty minutes (1:30) of which one hour will be for the Vendor's presentation and thirty (30) minutes for questions from the interview team. The presentation shall be led by the designated Project Manager and should include key personnel who will be involved in the performance of the work. Presentations shall include an overview of the proposed approach and project methodology they intend to use to successfully manage and control this project. References to a recent relevant successful project are desirable.

If necessary, interviews will be held April 7 & 8, 2014 in Royal City, WA. Proposer's that have submitted the top proposals and have been selected to participate in the interview phase will be contacted no later than March 28, 2014. Interviews will occur at the below address. You will be provided the specific date and time no later than March 28, 2014.

Port of Royal Slope
4975 Road 13.5 SW
Royal City, WA 99357

2.9 Submission of Proposals

No faxed or emailed proposals will be accepted. The proposal, whether mailed or hand delivered, **must be received by WSDOT no later than 12:00 p.m. noon local time in Lacey, Washington, on March 19, 2014.** The proposal is to be sent to the RFP Coordinator at the address noted earlier in Section 2.1. The envelope should be clearly marked to the attention of the RFP Coordinator, who is WSDOT's sole point of contact for this procurement. The proposal shall be clearly marked Proposal for Othello to Royal City Rail Line.

Proposers mailing proposals should allow normal mail delivery time to ensure timely receipt of their proposals by the RFP Coordinator. Proposers hand delivering proposals should allow time for traffic congestion. Proposers assume the risk for the method of delivery chosen. WSDOT assumes no responsibility for delays caused by any delivery service.

Any proposal not conforming to all stated requirements or containing unauthorized conditions, limitations, or provisions may be rejected.

After the time and date for receipt of proposals, each proposal will be evaluated as described below. Until execution of the contract, proposals shall be held in strict confidence and shall not be available for public review. The successful proposal shall become the property of WSDOT upon the execution of a contract.

Late proposals will not be accepted and will be automatically disqualified from further consideration. Proposals submitted late will be returned to the Proposer unopened.

Proposals not received by 12:00 p.m. noon on the date specified in [Section 2.2](#) will not be acceptable based on postmark.

The proposals must respond to the procurement requirements. The proposal must be complete and must stand on its own merits. Failure to respond to any portion of the procurement document may result in rejection of the proposal as non-responsive.

2.10 Proprietary Information/Public Disclosure

Materials submitted in response to this competitive procurement shall become the property of WSDOT.

All proposals received shall remain confidential until the contract, if any, resulting from this RFP, is signed by the authorized person and the apparent successful Proposer. All proposals shall be deemed to be a public record as defined in RCW 42.56.001 to 42.56.903, "Public Records."

Any information in the proposal that the successful Proposer desires to claim as proprietary and exempt from disclosure under the provisions of RCW 42.56.001 to 42.56.903 must be

clearly designated. The particular exception from disclosure upon which the Proposer is making the claim and the RFP page it is found on must be identified. **Each page claimed to be exempt from disclosure must be clearly identified by the word “CONFIDENTIAL” printed on the lower right hand corner of the page.**

WSDOT will consider a Proposer’s request for exemption from disclosure; however, WSDOT will make a decision predicated upon Chapter 42.56 RCW and chapter 236-48-123 of the Washington Administrative Code. **Marking the entire proposal exempt from disclosure will not be honored and will be considered non-responsive and be disqualified for further consideration.** The Proposer must be reasonable in designating information as confidential. If any information is marked as proprietary in the proposal, such information will not be made available until the affected Proposer has been given an opportunity to seek a court injunction against the requested disclosure.

2.11 Revisions to the RFP

In the event that it becomes necessary to revise any part of this RFP, an amendment will be provided to all Proposers.

The Proposer is instructed to disregard any oral representations it may have received. Proposal evaluation will be based on the material contained in the RFP and any amendments to the RFP that have been issued.

WSDOT reserves the right to revise the RFP and/or to issue amendment(s) to the RFP. For this purpose, the answers to questions that are submitted to the RFP Coordinator, together with other pertinent information, shall be provided as an amendment to the RFP.

WSDOT also reserves the right to cancel or to reissue the RFP in whole or in part, prior to the execution of a contract. In the event it becomes necessary to revise any part of the RFP, an amendment will be provided to prospective Proposers that received this Request for Proposal or have made the RFP Coordinator aware of their interest in this procurement. In addition, all amendments will be posted to the WSDOT Administrative Services Contracts Office’s website <http://www.wsdot.wa.gov/Business/Contracts/default.htm>

If a conflict exists between amendments, or between an amendment and the RFP, the document issued last shall take precedence.

It is incumbent upon each potential Proposer to carefully examine these requirements, terms and conditions. Should any potential Proposer find discrepancies, omissions or ambiguities in this RFP, the Proposer shall at once request, in writing, an interpretation from WSDOT’s RFP Coordinator. Any inquiries, suggestions or requests concerning interpretation, clarification or additional information shall be made to WSDOT’s RFP Coordinator, in writing, (including facsimile and email transmissions), and as specified in [Section 2.2](#), Schedule of Procurement Activities.

2.12 Waivers

WSDOT reserves the right to waive specific terms and conditions contained in this RFP. It shall be understood by Proposers that the proposal is predicated upon acceptance of all terms and conditions contained in this RFP, unless the Proposer has obtained such a waiver in writing from WSDOT prior to submission of the proposal. Such a waiver, if contracted, will be contracted to all Proposers.

2.13 Payment Advances

The Constitution of the State of Washington prohibits payments in advance for anticipation of receipt of goods or services. Proposers are paid after services and products are delivered and accepted.

2.14 Operating Lease Agreement

The State may not enter into an Operating Lease Agreement, unless the agreement can be cancelled for non-allocation of funds by the legislature, with no penalty to the State.

2.15 Disadvantaged Business Enterprise Participation

Disadvantaged Business Enterprises (DBEs) include any business that is majority owned by a minority, women, veteran, or disabled persons.

Under the voluntary provisions, Proposers are encouraged to:

- 1) Advertise opportunities for subcontractors or suppliers in a manner reasonably designed to provide DBEs and other small businesses capable of performing the work with timely notice of such opportunities. All advertising should include a provision encouraging participation by DBE firms. Advertising may be done through general advertisement (e.g., newspapers, journals, etc.) or by soliciting bid/proposals directly from DBEs and other small businesses.
- 2) Provide DBEs and other small businesses that express interest with adequate and timely information about plans, specifications, and requirements of the contract. Break down total requirements into smaller tasks or quantities, where economically feasible, in order to permit maximum opportunity for participation by DBEs and other small businesses.
- 3) Utilize the services of available minority community organizations, minority contractor groups, local minority assistance offices and organizations that provide assistance in the recruitment and placement of DBEs and other small businesses. WSDOT's DBE Supportive Services consultant, located at the Office of Minority and Women's Business Enterprises (OMWBE) may provide supportive services for the DBEs. Contact (360) 753-9393.
- 4) Establish delivery schedules, where requirements of the contract permit, that encourage participation by DBE's and other small businesses.

The actions described in this section should supplement efforts to provide information to all qualified firms and nothing in this section is intended to prevent or discourage the

Bidders/Proposes/Contractors from inviting proposals for participation from non-DBE firms as well as DBE firms.

2.16 Responsiveness

All proposals will be reviewed by the RFP Coordinator to determine compliance with administrative requirements and instructions specified in this RFP. Failure to comply with any part of the RFP may result in rejection of the proposal as non-responsive.

2.17 Minor Irregularities

WSDOT reserves the right to waive minor administrative irregularities contained in any Proposal such as typographical errors. Omissions, including but not limited to the required authorizing signature or entire sections or sub-sections will not be considered minor.

2.18 Most Favorable Terms

WSDOT reserves the right to make an award without further discussion of the proposal submitted. Therefore, the proposal should be submitted initially on the most favorable terms that the Proposer can offer. There will be no best and final offer procedure. WSDOT does reserve the right to contact a Proposer for clarification of its proposal during the evaluation process. In addition, if a proposal is selected, WSDOT reserves the right to enter into contract negotiations with the apparent successful Proposer, which may include discussion regarding the Proposer's approach to meeting the terms of the service contract. Contract negotiations may result in incorporation of some, or the Proposer's entire proposal. The Proposer should be prepared to accept this RFP for incorporation into a contract resulting from this RFP. It is also understood that the proposal will become part of the official procurement file.

2.19 Costs to Propose

WSDOT will not be liable for any costs incurred by the Proposer in preparation of a proposal submitted in response to this RFP, in conduct of a presentation, or any other activities related to responding to this RFP.

2.20 Independent Status of Vendor

In the performance of this Contract, the parties will be acting in their individual, corporate or governmental capacities and not as agents, employees, partners, joint ventures, or associates of one another. The parties intend that an independent contractor relationship will be created by this Contract. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever. Vendor shall not make any claim of right, privilege or benefit which would accrue to an employee under chapter 41.06 RCW or Title 51 RCW.

2.21 No Obligation to Contract

This RFP does not obligate the State of Washington or WSDOT to contract for services specified herein.

2.22 Rejection of Proposals

WSDOT reserves the right at its sole discretion to reject any and all proposals received without penalty and not to issue a contract as a result of this RFP.

2.23 Commitment of Funds

The Secretary of WSDOT or her delegates are the only individuals who may legally commit WSDOT to the expenditures of funds for a contract resulting from this RFP. **No current or future funding has been identified or requested to perform any future maintenance of the OTRC or offset any operational losses sustained by any interested Proposer.**

Single Proposer

In the event that only one proposal is received, WSDOT will conduct a cost and or price analysis of the proposal, and the Proposer, by applying, agrees to such analysis. A cost analysis is the process of examining the proposal and evaluating the separate cost elements. A price analysis through comparison to other similar awards must be based on an established or competitive price of the elements used in the comparison. The price comparison is to be made to the procurement of similar services and involving a similar scope of work. Where a difference exists, a detailed analysis must be made of this difference and costs attached to the application.

Any such analysis and the results shall not obligate WSDOT to accept such a single proposal, and WSDOT may reject such proposal at its sole discretion. In the event of such price or cost analysis, WSDOT shall have the right to extend the effective date of the proposal for up to 90 days.

2.24 Announcement of Apparent Successful Proposer

Proposers shall be notified by e-mail when the Evaluation Committee has determined the Apparent Successful Proposer. For the purpose of any subsequent actions, the date of announcement of the Apparent Successful Proposer shall be the date of the announcement letter.

2.25 Announcement of Unsuccessful Proposer(s)

A Proposer may be determined as unsuccessful during one or more of the evaluation steps as specified in Section 10 – Evaluation and Contract Award.

Proposers who have been determined to be unsuccessful will be notified on the same date as the announcement of the Apparently Successful Proposer. For the purpose of any subsequent actions, the date of announcement of the unsuccessful Proposer shall be the same date as the announcement letter.

2.26 Debriefing of Unsuccessful Proposers

Proposers who submitted a proposal and were not selected will be given the opportunity for a debriefing conference. The RFP Coordinator must receive the request for a debriefing conference within three (3) business days after the notification of unsuccessful Proposer letter is sent. The debriefing shall be held within three (3) business days of the request.

Discussion will be limited to a critique of the requesting Proposer's proposal. Comparisons between proposals or evaluations of the other proposals will not be allowed. Debriefing conferences may be conducted in person or on the telephone and will be scheduled for a maximum of one hour.

2.27 Resolution of Complaints and Protests

2.27.1 Complaints

All complaints must be received, in writing, by the RFP Coordinator not less than five (5) business days prior to the deadline for bid submission as identified in Exhibit E, Complaint and Protest Procedures. Complaints may be made on only these grounds:

- The solicitation unnecessarily restricts competition;
- The solicitation evaluation or scoring process is unfair or flawed; or
- The solicitation requirements are inadequate or insufficient to prepare a response.

Complaints not based on these criteria will not be considered.

2.27.2 Protests

Protests may be made after WSDOT has announced the Apparently Successful Proposer and after the protesting Proposer has had a debriefing conference with that agency as identified in Exhibit E, Complaint and Protest Procedures. Protests may be made on only these grounds:

- Arithmetic errors were made in computing the score.
- The agency failed to follow procedures established in the solicitation document or applicable state or federal laws or regulations.
- There was bias, discrimination, or conflict of interest on the part of an evaluator.

A person authorized to bind the Proposer to a contractual relationship must sign the protest letter. WSDOT must receive the written protest within five (5) business days after the Proposer has had a debriefing conference.

Upon receipt of a protest a review will be held by WSDOT. Individuals not involved in the acquisition will objectively review the written protest material submitted by the Proposer and all other relevant facts known to the agency. All available facts will be considered and the Assistant Secretary, or her delegate, will issue a decision within ten (10) business days of receipt of the protest. The protesting Proposer will be notified if additional time is required.

2.27.3 Form and Content

A protest must be in writing and must contain the facts and arguments upon which the protest is based and must be signed by a person authorized to bind the Proposer to a contractual relationship. At a minimum, this must include:



- The name of the protesting Proposer, its mailing address and phone number, and the name of the individual responsible for submission of the protest.
- Information about the acquisition and the acquisition method and name of the issuing agency.
- Specific and complete statement of the agency's action(s) being protested.
- Specific reference to the grounds for the protest.
- Description of the relief or corrective action requested.

Protests shall be addressed to:

Washington State Department of Transportation
Attention: Grant Rodeheaver, Director ITD
PO Box 47430
Olympia, WA 98504

The Proposer shall also forward a copy to the RFP Coordinator at the same time the protest is sent to the Director.

3 MANDATORY PROPOSAL INSTRUCTIONS

3.1 Proposal Requirements

Proposer must timely provide all required information specified in this RFP. Proposals that do not provide all of the requested information and do not follow the required format shall be disqualified. Items marked “(M)” are mandatory and must be included as part of the proposal for the proposal to be considered responsive.

3.2 (M) Signatures

The Submittal Letter, Exhibit A – State Certifications and Assurances, Exhibit B – Proposer Business Reference Authorization, must be signed and dated in by a person authorized to legally bind the Proposer to a contractual relationship, e.g., the President or Executive Director if a corporation, the managing partner if a partnership, or the proprietor if a sole proprietorship. **All required original signatures must be in blue ink only.**

3.3 (M) Letter of Submission

The Submittal Letter shall be on official Proposer letterhead, and signed by a person authorized to bind your organization to a contract. Your Submittal Letter must include the following in the order given:

- Proposer’s name
- Name and title of the Proposer’s authorized representative
- Address
- Telephone number
- Fax Number
- Statement indicating as a condition of contract award, Proposer will provide proof of insurance from carrier
- Signed Exhibit A - State Certifications and Assurances Forms as attachments.

3.4 (M) Proposal Format

Proposals must be submitted on eight and one-half by eleven (8 ½” x 11”) paper with tabs separating the major sections of the proposal. The major sections are identified with a number in the order noted below. **Each proposal and copy must be bound by binder clips only.** The sections of the proposal are to be submitted in the order noted below:

1. Signed or Certified Letter of Submittal
 - a. Letter of Submission
 - b. Exhibit A – State Certifications and Assurances Exhibit
2. Financial and Business Requirements
 - a. Financial Information
 - b. Proposer Identification
 - c. Statewide Payee Acknowledgement
 - d. Authorized Representative



- e. Principal Officer Identification
 - f. Subcontracting
 - g. Contract Terminations
 - h. Insurance
 - i. Certification of Proposal
 - j. Contracts with WSDOT
 - k. Former WSDOT Employees
 - l. Contract and General Terms and Conditions
3. Business References
- a. Exhibit B – Proposer Business Reference Authorization
4. Technical Proposal
- a. Business Development Plan
 - b. Operating Plan
 - c. Track Maintenance Plan
 - d. Collaboration with other Short Lines and the Class 1 Railroads
 - e. Marketing and Customer Service
5. Management Proposal
- a. Project Management
 - b. Experience of the Proposer
 - c. Employee Training and Safety Program
6. Revenue and Expense Proposal
- a. Identification of Revenue and Expenses
 - b. Exhibit D – Revenue and Expense Proposal
 - c. Acknowledgement of Award not based on Price Alone
 - d. Acknowledgement to Collect and Pay all Taxes Applicable
 - e. DBE Costs if applicable
7. Best Value Statement

Proposals must provide information in the same order as presented in this document with the same headings. This will not only be helpful to the evaluators, but should also assist the Proposer in preparing a thorough response.

3.4.1 (M) Number of Copies

Send **two (2)** signed original proposals and **eight (8) complete** copies to the RFP Coordinator listed in [Section 2.1](#). Also include a complete proposal on CD-ROM in Microsoft Word 2000 format or newer.

3.5 Proposal Submission and Delivery

The proposal, whether mailed or hand delivered, must be received by the RFP Coordinator at the address specified in [Section 2.1](#) no later than the date and time specified in [Section 2.2](#). Late proposals shall not be accepted and shall automatically be disqualified from further consideration. The method of delivery shall be at your discretion and it shall be at your sole risk to assure delivery at the designated office. **Faxed or e-mailed proposals**



will not be accepted and will be disqualified. See [Section 2.1](#) for delivery address and instructions.

4 MANDATORY FINANCIAL/BUSINESS SECTION INSTRUCTION

4.1 Introduction

All items identified in Section 4 are mandatory. Proposers must provide all information requested in Section 4. Proposals that do not provide all of the requested information and do not follow the required format shall be disqualified. The section numbers and titles must be restated in Proposer's proposal.

This section will be scored on a pass/fail basis.

4.2 (M) Financial Information

The Proposer must provide all information requested in the exact order specified below.

4.2.1 (M) Financial Statements

The Proposer must provide the last three (3) years of comparative financial statements or annual reports with the name, address, and telephone number of a contact in the company's principal financing or banking organization.

4.2.2 (M) Alternatives for Non-Public Corporations

If the Proposer is not a publicly held corporation, it must comply with [Section 4.2.1](#) by providing the following information:

4.2.2.1 (M) Business Description

Describe the proposing organization, including size, longevity, client base, areas of specialization, and expertise and any other pertinent information in such a manner that would enable proposal evaluators to determine the stability and financial strength of the organization.

4.2.2.2 (M) Banking Reference

- 1) Provide a reference from the company's current bank.
- 2) Provide a credit rating and name the rating service.
- 3) Provide a credit rating report and the name of the service providing the report.

4.3 (M) Proposer Identification

The Proposer must provide all information requested in the exact order specified below.

1. Legal Name of the Proposer
2. Address (principal place of business)
3. Telephone Number
4. Federal Employee Identification Number
5. Legal Status (e.g., Corporation, partnership, etc.)
6. State licensed to operate in
7. Date established
8. Doing Business As (d.b.a.), if applicable

4.4 (M) Vendor Licensed to do Business in Washington

Within thirty (30) days of being identified as the Apparently Successful Vendor, Vendor must be licensed to conduct business in Washington, including registering with the Washington State Department of Revenue. The Vendor must collect and report all applicable taxes.

4.5 (M) Statewide Payee (SWV)

The Apparently Successful Vendor must agree to register with the Washington State as a Statewide Vendor within ten (10) Business Days of notification of contract award. If you do not have SWV number, you must indicate in your proposal to this section “<Vendor Name> confirms that we will register for a Statewide Vendor Number within ten (10) Business Days of notification of contract award”.

4.6 (M) Authorized Representative

Provide information regarding the Proposer’s only point of contact for communication relating to this RFP.

- Name
- Title
- Address
- Telephone Number
- FAX Number
- E-mail Address (if available)

It is the Proposer’s responsibility to keep this information current. All information and documents will only be sent to the authorized representative identified in this section by the Proposer.

4.7 (M) Principal Officer Identification

Provide information regarding the Proposer’s Principal Officers (e.g., President, Vice President, Treasurer, Chairperson of the Board, partners, etc.).

- Name
- Title
- Address

4.8 (M) Subcontracting

If any functions will be performed by a subcontractor (any person not in the full time employ of the Proposer), the Proposer must include the Subcontractor Name, Address, and description of work to be performed. In addition, supply the subcontractor's response to the information requested in the Sections 4.2 and 4.3 of this RFP. All subcontractors' cost must be entered into a separate Exhibit I– Projected Expenses (please refer to [Section 8.2.1 – Subcontractor's Cost Identification](#)). These documents must display the word "SUB-CONTRACTOR" in bold letters clearly printed across the top of the each page of the documents.

If any functions will not be performed by a subcontractor, Proposer must state “Not applicable” to this section in its proposal.

4.9 (M) Contract Terminations

If the Proposer, or any of its subcontractors, has had a contract terminated for default in the last five (5) years, describe such incident. Termination for default is defined as notice to stop performance due to the Proposer's non-performance or poor performance and the issue of performance was either, (a) not litigated due to inaction on the part of the Proposer, or (b) litigated and such litigation determined that the Proposer was in default.

Submit full details of the terms for default. Identify the other party, its name, address, and telephone number. Present the Proposer's position on the matter. WSDOT will evaluate the facts and may, at its sole discretion, reject the proposal on the grounds of the past experience.

If the Proposer or any of its subcontractor(s) has experienced no such termination for default in the past five (5) years, indicate accordingly.

4.10 (M) Insurance

The Proposer must indicate in the submittal letter and as a condition of contract award, that they will provide proof of insurance from the Proposer's insurance carrier outlining the extent of the Proposer's liability coverage.

The Proposer shall, at its own expense, obtain and keep in force railroad operating and liability insurance covering liability assumed by the Proposer under the terms set forth in the Operating Lease with a limit of not less than Twenty Five Million Dollars (\$25,000,000) single limit for personal injury per occurrence and single limit for property of Five Million Dollars (\$5,000,000) for damage per occurrence during the term of the contract. The Proposer shall furnish evidence to WSDOT within fifteen (15) calendar days of receipt of notice of award, in the form of a Certificate of Insurance, that insurance will be provided.



4.10.1 (M) Insurance

The Proposer shall at all times during the term of the contract carry and maintain insurance as defined herein. The Proposer must state and provide a certificate of coverage that it currently holds insurance must state that it currently holds insurance that meets or exceeds the limits set forth in the Sample Contract or agree to acquire the necessary insurance within fifteen (15) calendar days of contract execution. WSDOT must be named as payee on vehicles that WSDOT holds title.

4.10.2 (M) Additional Provisions

The required insurance policies shall include the following provisions:

1. **Additional Insured.** The State of Washington and all authorized contract users shall be specifically named as an additional insured or insured(s) on all policies. All policies shall be primary over any other valid and collectable insurance.
2. **Material Changes.** A thirty (30) calendar day written notice shall be given to the State prior to termination of or any material change to the policy(policies) as it relates to this contract, provided that thirty (30) calendar days written notice shall be given for surplus line insurance cancellation for nonpayment of premiums. Such notice shall not be less than ten (10) calendar days prior to such date.
3. **Identification.** Policy must reference the State's contract number and name WSDOT.
4. **Insurance Carrier Rating.** An insurance company authorized to do business within the State of Washington shall issue the insurance required above. Insurance is to be placed with a carrier that has a Best's rating of A- or higher. The risk manager for the State of Washington must approve any exception.
5. **Excess Coverage.** The limits of all insurance required to be provided by the Proposer shall be no less than the minimum amounts specified. However, coverage in the amounts of these minimum limits shall not be construed to relieve the Proposer from liability in excess of such limits.

4.11 (M) Certification of Proposal

Provide a signed copy of the "Certifications and Assurances" as Exhibit A to the Proposer's Proposal as specified in [Section 3.4 – Proposal Format](#). The form must be signed and dated **in blue ink only** by a person legally authorized to bind the Proposer. Each Proposer shall certify his or her preparation of the Proposal and stipulate in writing that the Proposal is valid for 120 calendar days after receipt by WSDOT.

4.12 (M) Contracts with WSDOT

If the Proposer is currently under a Contract, or has contracted with WSDOT within the past twenty-four (24) months, provide the following information:

1. WSDOT Office/Location
2. Contract and/or Contract Identification (Number and/or Name)
3. Contract begin and end dates
4. Brief statement describing type of services provided

4.13 (M) Former WSDOT Employees

If the Proposer employs, or has on their governing board as of the date of the Proposal, one or more Washington State Employees, those individuals must be identified. In addition, if the Proposer employs, or has on their governing board as of the date of the Proposal, one or more former (within the last two years) Washington State Employees, those individuals must be identified. If, following a review of this information, it is determined by the Evaluation Committee that a conflict of interest exists, the Proposer may be disqualified from further consideration.

Information must be provided in the order below for each Former WSDOT Employee identified.

1. Name of individual
2. State employment separation date
3. Title and/or Position within Proposer
4. Statement of responsibilities within Proposer
5. Washington State employing agency
6. Washington State job title and/or classification
7. Current status of Washington State employment
8. Washington State employment separation date

4.14 (M) Contract and General Terms and Conditions

The apparent successful Proposer will be expected to enter into a contract that is substantially the same as the sample contract and its general terms and conditions attached as Exhibit C. In no event is a Proposer to submit its own standard contract terms and conditions in response to this solicitation. WSDOT will review requested exceptions and accept or reject the same at its sole discretion but **ONLY MINOR MODIFICATIONS AND/OR ADDITIONS** will be open to negotiation. A Proposer may submit changes to the content of the Contract as presented in Exhibit C. The Proposer must provide one of the two following statements here in this section:

“Proposer accepts the terms of the Othello to Royal City Rail Line.”

or,

“Proposer accepts the terms of the Othello to Royal City Rail Line, EXCEPT FOR those areas identified in an Exhibit to this RFP Proposal.”

All identified exceptions, modification, and/or additions shall be included as Exhibit J to the Proposal and clearly marked mandatory or proposed as set forth below in this section. Identify each proposed exception, modification, and/or addition in the following format:

1. State the page number of this RFP or Exhibit C
2. State the Contract paragraph in full
3. State the proposed revised paragraph verbiage in full

The Proposer must clearly identify all submitted exceptions, modifications and/or additions as to one of two categories.

Mandatory: A Proposer submitting a mandatory exception, modification, and/or addition, is declaring that the change is a requirement within its proposal. If the change is not acceptable to WSDOT, then the Proposer does not want its proposal to be considered or evaluated by WSDOT.

Proposed: A Proposer submitting a proposed exception, modification and/or addition, is asking that WSDOT consider it, and if acceptable to WSDOT, include the proposed wording in any resulting Intercity Bus Contract.

5 (M) BUSINESS REFERENCES

5.1 (M) Business Reference

Proposers must complete Exhibit B – Proposer Business Reference Authorization for each business reference in response to this section. At a minimum Proposer will list names, addresses, telephone numbers, and fax numbers/e-mail addresses of three business references for which work has been accomplished and briefly describe the type of service provided. Do not include current WSDOT staff as references. The Proposer may include contract references or separate business references.

6 (M) TECHNICAL PROPOSAL

6.1 Proposal Requirements

Proposer must provide all required information specified in this RFP. Proposals that do not provide all of the requested information and do not follow the required format shall be disqualified. Items marked “(M)” are mandatory and must be included as part of the proposal for the proposal to be considered responsive.

6.2 Introduction

6.2.1 (M) Business Development

WSDOT seeks a programmed approach to address the long-term need for freight diversification and volume growth on the OTRC. WSDOT is looking for a collaborative relationship with an operator to address these issues as they relate to maximizing the viable freight system in Washington State.

In order to complete this Section 6.2.1, Proposers should reference Exhibit G “OTRC Prospective Shipper Contacts.” Proposers may contact prospective shippers to learn about products they currently ship or receive, understand current supply chain practices and then develop proposed solutions incorporating rail transportation via the OTRC. Proposers should use this information as they develop this and other sections of their proposals. Please note, Exhibit G will only be made available to Proposers following receipt of a Letter of Intent.

Discuss concepts you would suggest exploring to increase the railcar density on the OTRC, including but not limited to:

- Successful examples from other regions, which could be employed in this area;
- Specific examples of railroad start up service in other regions
- Potential public/private funding structures, which have been or could be implemented;
- Proposed agreement term length
- Types of facilities which could generate additional volumes
 - grain loading facility
 - multi-modal hub facility
 - reload/transload facility
 - other

Outline hurdles which could hinder business development concepts including but not limited to:

- Class 1 franchise issues
- Financial constraints
- Infrastructure limitations
- Operational constraints

Start-up Schedule

Provide proposed schedules for training personnel to provide service, determining specific shipper needs, and for instituting service.

6.3 (M) Operating Plan

WSDOT seeks an operational approach that addresses the needs of stakeholders along the line, including but not limited to shippers, other short lines, and Class 1 railroads. Submit an Operating Plan including but not limited to the following:

- Location of main office for new railroad operations.
- Description of motive power to be acquired and used on line and of plan to provide motive power if one or more units is not in service.
- Detail the equipment, including locomotives, you plan to use in your operation.
- Description of proposed schedule of service to shippers (e.g. daily, as needed, 3X per week) including an overview of where motive power will be staged, expected number of crew members and their respective jobs, and related shipper service issues.
- Description of mechanical (locomotive and rail car) maintenance. Would this occur on-line or off.
- Description of demurrage policy.
- If you have existing rail operations, please briefly describe how the Operating Plans work together to reduce your overall cost to operate the OTRC.
- Specify your communication and computer operating system.
- Provide details on how to ensure compliance with federal regulations and state rules and laws.

6.4 (M) Track Maintenance Plan

Proposers should assume, with the exception of the material highlighted in the Exhibit F “Inventory of Materials,” that WSDOT has no funding, equipment or materials available for future maintenance or rehabilitation of any portion of the OTRC. Please address the following questions:

- The goal for the FRA classification of various segments of OTRC (i.e. Excepted, FRA Class I, FRA Class II).
- A 1-year and 3-year Maintenance Plan including estimates for maintenance and upgrades to the tracks and other structures.
- Anticipated deployment of materials in inventory.
- Public/private investment strategies to address future track upgrades.
- Basic track maintenance plan to prevent degradation of track and structures below current levels, and below levels established by rehabilitation projects.
- Experience and capabilities of maintenance staff.
- Equipment that would be available for inspection and maintenance activities.

6.5 (M) Collaboration with other Short Lines and the Class 1 Railroads

What is the Proposer’s philosophy guiding interactions with Class 1 railroads and other short-line operators? Please illustrate how your company proposes to deal with franchise issues as they arise.

In order to complete this Section 6.5, Proposers should reference Exhibit H “OTRC Rail Operations Contacts.” Proposers may contact connecting short-line railroads and Class I rail connections to understand current train operations beyond Othello, access to rail equipment, anticipated contract requirements and inquire about pricing strategies, including specific line haul rates. Proposers should use this information as they develop this and other sections of their proposals. Please note, Exhibit H will only be made available to Proposers following receipt of a Letter of Intent.

6.6 (M) Marketing and Customer Service

Detail marketing strategies to generate both short-term and long-term rail traffic growth. The Marketing Plan will include the following:

- Resume information on those people the Proposer will commit to have working on marketing for the first year of the new operation.
- Proposer commitment for time spent annually in the first three (3) years doing marketing, (e.g. example one person working ½ time dedicated to OTRC).
- Examples of marketing efforts and successes the Proposer has undertaken, including any start-up experience Proposer may have.
- Example of Proposer’s joint marketing efforts and successes with Class I partners as well as state and local economic development groups for new development.
- Describe your experience working with shippers with limited knowledge of using rail, including loading and unloading cars, ordering equipment, submitting waybill information and tracking shipments.
- Outline a customer service strategy, which will ensure customer satisfaction both during the start-up phase and in the long term. List your procedures for handling service complaints.

In order to complete this Section 6.6, Proposers should reference Exhibit J “OTRC Rail Economic Development Contacts.” Proposers may contact port officials to understand current land use and specific information about property availability and recent development opportunities. Proposers should use this information as they develop this and other sections of their proposals. Please note, Exhibit J will only be made available to Proposers following receipt of a Letter of Intent.

7 MANAGEMENT PROPOSAL

7.1 Proposal Requirements

Proposer must provide all required information specified in this RFP. Proposals that do not provide all of the requested information and do not follow the required format shall be disqualified. Items marked “(M)” are mandatory and must be included as part of the proposal for the proposal to be considered responsive.

7.2 (M) Project Management

7.2.1 (M) Project Team Structure/Internal Controls

Provide a description of the proposed project team structure and internal controls to be used during the course of the project, including any subcontractors. Provide an organizational chart of your firm indicating lines of authority for personnel involved in performance of this potential contract and relationships of this staff to other programs or functions of the firm. This chart must also show lines of authority to the next senior level of management. It should also identify the WSDOT personnel the Proposer deems necessary to work with in order to be successful. Include who within the firm will have prime responsibility and final authority for the work, including contract work.

7.2.2 (M) Project Oversight/Stakeholder Contributions

Explain how you will work with the various regional stakeholders to keep them informed of project progress. Stakeholders are intended to offer project oversight as well as support and assistance should a need arise.

7.2.3 (M) Staff Qualifications/Experience

Identify staff, including subcontractors, who will be assigned to the potential contract, indicating the responsibilities and qualifications of such personnel, and include the amount of time each will be assigned to the project. Provide résumés for the named staff that includes information on the individual’s particular skills related to this project, education, experience, significant accomplishments and any other pertinent information. The Proposer must commit that staff identified in its proposal will actually perform the assigned work.

Provide the operating job structure with a brief description of duties; the levels of manning; the anticipated sources of labor; and the operating rules and practices envisioned to be used. Discuss whether and how the railroad workers will be represented and their compensation and benefit packages would be structured. Provide a description of selection and hiring as well as start-up training practices. Include resumes of the following positions: General Manager, Chief Operating Officer, Chief Mechanical Officer and Chief Maintenance of Way Officer and any other operating personnel.

Identify the cities or places where you would base your operations, and which personnel would work from those places. If you have existing rail operations, please describe those operations and how much time you expect each position to be devoted to OTRC.

7.3 (M) Experience of the Proposer

7.3.1 (M) Experience Areas

Indicate the experience that the Proposer and any subcontractors have in the following areas:

- Company history and structure including affiliates;
- Short-line management and operating experience;
- Safety record;
- Additional experience with dispatching, terminal operations, track and structure maintenance, and insurance;
- History of labor relations; and
- Current relationship with western Class 1 railroads.
- Planning and implementing a successful business plan

7.3.2 (M) Qualification Experience

Indicate other relevant experience providing evidence of the Proposer's qualifications, and those of any subcontractors, for the performance of the potential contract.

7.3.3 (M) Contract Experience

Include a list of contracts the Proposer has had during the last two to five years that relate to the Proposer's ability to perform the services needed under this RFP. List contract reference numbers, contract period of performance, contact persons, telephone numbers, and fax numbers/e-mail addresses. Proposer must include in its response to this section "**<Proposer Name> contracts permission to WSDOT to independently contact the references at WSDOT's convenience.**"

7.4 (M) Employee Training and Safety Program

The proposal shall clearly explain the Proposer's policy for maintaining employee training and safety programs. Explain how these programs meet or exceed policies and guidelines. The following questions are intended as a sample of information that may be included in a Training and Safety Statement which is a part of the final proposal.

- Which operating rules program do you adhere to?
- Does your company or entity have an employee whose role is focused on safety and/or operations oversight?
- How often do you discuss safety including hazard identification?



- How often employees are provided safety related training?
- Please describe any programs that you have that focus on safety.
- Have you received any safety or training related awards?

8 REVENUE & EXPENSE PROPOSAL

8.1 Proposal Requirements

Proposer must provide all required information specified in this RFP. Proposals that do not provide all of the requested information and do not follow the required format shall be disqualified. Items marked “(M)” are mandatory and must be included as part of the proposal for the proposal to be considered responsive.

8.2 (M) Identification of Revenue & Expenses

All items in this section are marked “(M)” are mandatory and must be included as part of the proposal for the proposal to be considered responsive. Proposers must submit in response to this section the completed Exhibit D – Projected Revenues & Expenses Worksheet. The Proposer must complete all fields highlighted in yellow. This completed worksheet must detail each element of a Proposer’s projected revenue and expenses during the first twelve (12) months of operations. In addition, a detailed Financial Plan, explaining each line item in the worksheet, should also be submitted.

8.2.1 (M) Additional Costs Identification

The components of the Revenue & Expenses Worksheet must be in agreement with the assumptions made in previous sections. The Financial Plan shall clearly delineate where any and all public funding is assumed. (*Please note: No public funding* is currently available to sustain operations, or perform maintenance or rehabilitation along the OTRC. Any inclusion of public funding in the Revenue & Expenses Worksheet should clearly define what action Proposer will take to pursue funds and which funding sources will be considered.)

(M) Revenues

Proposer will make assumptions about their per car revenue expectations based on their past experience and on the nature of the commodities generated by the information provided during phone discussions with the potential shippers. Proposer will clearly state these revenue assumptions in detail, e.g. by commodity. Proposers will also provide their expectations for other revenue to be generated along the line. (e.g. car storage, transloading, demurrage or other expected sources of revenue.)

(M) Costs

Proposer will list all costs including, any proposed lease payment or minimum maintenance commitments. Proposer will include the costs of providing \$25 million in liability insurance coverage. Proposer should include cost assumptions for completing and implementing Federal Railroad Administration required Bridge Management Plans and Surface Transportation Board filing fees.

(M) The Budget Plan Format

Proposers submit Budget Plans including but not limited to the items below.

- Pro forma balance sheets for 3 years.
- Pro forma Income Statements for 3 years
- Pro forma cash flow projections on a monthly basis for the first year.
- Statement explaining how start-up capital and operating funds in the Finance Plan will be provided by Proposer.

Develop a rate and fee structure that is simple and fair for shippers.

The Proposer must separately specify and price any additional costs not listed in Exhibit D- Projected Revenue & Expenses on a separate worksheet. This worksheet must follow the same format as the Projected Revenue & Expenses Worksheet and the total addition expenses should be included in Exhibit D

8.2.2 (M) Subcontractor(s) Cost Identification

The Proposer must separately specify and price any subcontractor's cost if applicable on a separate Exhibit D - Projected Revenue & Expenses Worksheet. This worksheet must follow the same format as the Projected Revenue & Expense Worksheet and must display the word "SUB-CONTRACTOR" in bold letters clearly printed across the top of the each page of the documents.

If any functions will not be performed by a subcontractor, Proposer must state "Not applicable" to this section in its proposal.

8.3 (M) Award Not Based On Price Alone

The evaluation process is designed to award this procurement not necessarily to the Vendor with the least cost, but rather to the Vendor whose proposal best meets the requirements of this RFP. The Proposer must indicate its acknowledgement of this requirement in their proposal.

8.4 (M) Taxes

Vendor will be required to collect and pay all taxes, if applicable. The Proposer must indicate its acknowledgement of this requirement in their proposal.

8.5 (M) DBE Costs

If Vendor and/or subcontractor(s) are certified by the Washington State 39.26.160. Office of Minority and Women's Business Enterprises, the Vendor must set out in the Cost Proposal the portion to be paid to the certified DBE firms. Costs for subcontractors, which are not certified, are also to be broken out separately.

8.6 Scoring of Revenue & Expenses Proposals

The score for the Revenue & Expenses Proposal will be evaluated using two criteria. Each section will be scored and then two scores from the two sections will be combined.

Total Gross Operating Expenses

The first criteria will be to evaluate Total Gross Operating Expenses. The lowest Total Gross Operating Expenses received will be divided by the Proposer's Total Gross Operating Expenses. Then the resultant number will be multiplied by the maximum possible points for this section.

Maximum Points Possible 100 points

Example:

| | |
|------------|--------------|
| Proposer A | \$100,000.00 |
| Proposer B | \$115,000.00 |
| Proposer C | \$130,000.00 |

| Proposer A | Proposer B | Proposer C |
|-------------------|------------------|------------------|
| 100,000.00 | 100,000.00 | 100,000.00 |
| 100,000.00 | 115,000.00 | 130,000.00 |
| 1 x 100 points | .87 x 100 points | .77 x 100 points |
| 100 points | 87 points | 77 points |

Total Gross Revenue

The second criteria will be to evaluate Total Gross Revenue. The lowest Total Gross Revenue received will be divided by the Proposer's Total Gross Revenue. Then the resultant number will be multiplied by the maximum possible points for this section.

Maximum Points Possible 50 points

Example:

| | |
|------------|---------------------------------------|
| Proposer A | \$300.00 (per car or per car average) |
| Proposer B | \$400.00 |
| Proposer C | \$500.00 |

| Proposer A | Proposer B | Proposer C |
|------------------|--------------------|------------------|
| 300.00 | 300.00 | 300.00 |
| 300.00 | 400.00 | 500.00 |
| 1 x 50 points | .75 x 50 points | .60 x 50 points |
| 50 points | 37.5 points | 30 points |

9 BEST VALUE TO WSDOT

9.1 (M) Best Value

Proposer must describe in detail what value its service will provide to WSDOT, such as: the reliability of the proposed service, the benefit its service will provide to citizens in the area, the benefit its service will provide to transportation providers in the area, and how its service will enhance transportation in the area.

Best Value to WSDOT is a measure of short term and long term usefulness, quality, expandability, richness of function, customer support structure and options and confidence that the Vendor will aggressively support the product, enhance the product and incorporate advanced technology as it matures.

9.2 Scoring of Best Value

This section is worth 100 points and is an all or nothing category. Only one Proposer whose proposal is determined to be the Best Value will be awarded the 100 points.

10 EVALUATION AND CONTRACT AWARD

10.1 Evaluation Procedure

The evaluation process is designed to award this procurement not necessarily to the Proposer of least cost, but rather to the Proposer whose proposal best meets the requirements of this RFP. However, Proposers are encouraged to submit proposals that are consistent with State government efforts to conserve state resources.

Responsive proposals will be evaluated strictly in accordance with the requirements stated in this solicitation and any addenda issued. The evaluation of proposals shall be accomplished by an evaluation team, to be designated by WSDOT, which will determine the ranking of the proposals.

A WSDOT evaluation committee comprised of WSDOT staff and local stakeholder representatives will evaluate responses to the Request for Proposals. Stakeholders may include but are not limited to representatives of the local public transportation coalition, social service agencies, and connecting service providers. The evaluation/selection process will consist of an evaluation of the written proposal and may require an interview.

10.2 Clarification of Proposal

The RFP Coordinator may contact the Proposer for clarification of any portion of the Proposer's proposal.

10.3 Award Based On Multiple Factors

The evaluation process is designed to award the contract to the Proposer whose proposal best meets the requirements of this RFP. WSDOT Executive Management will make the final decision/selection after analysis of the proposals has been submitted.

10.4 Evaluation Weighting and Scoring

The following weighting and points will be assigned to the proposal for evaluation purposes:

| Criteria | Score |
|-------------------------------------|--------------------|
| RFP Compliance Review (| Pass/Fail |
| Financial and Business Requirements | Pass/Fail |
| Business References | Pass/Fail |
| Technical Proposal (50%) | 500 points |
| Management Proposal (25%) | 250 points |
| Cost Proposal (15%) | 150 points |
| Exhibit D - Projected Expenses | |
| Best Value (10%) | 100 points |
| This section scored all or nothing | |
| Total Points Possible | 1000 points |

10.5 Pass/Fail Evaluations (Minimum Mandatory Requirements)

Vendors receiving a failing score from either the Administrative review, Financial and Business Requirements or Business References sections shall be viewed as not meeting the minimum mandatory requirements and will be eliminated from further consideration

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