NGEC PROCEDURE FOR ESTABLISHING CONTRACTED SUPPORT

Approved by the Administrative Task Force – July 23, 2013
Adopted by the NGEC Executive Board – August 6, 2013
Revised by the Finance and Administrative subcommittee June 29, 2017
Approved by the Finance and Administrative subcommittee - July 13, 2017
Adopted, as revised, by the NGEC Executive Board – July 18, 2017

Purpose:
The following describes the process by which the Next Generation Corridor Equipment Pool Committee (NGEC) will purchase services for technical support and pay invoices received for technical support and reimburse eligible expenses for NGEC members.

Procedure:
Identification of Need:
The NGEC is primarily comprised of its Executive Board, three standing subcommittees including the Finance and Administrative Subcommittee, the 305-209 Capital Equipment Access Plan Subcommittee, and the Technical Subcommittee, as set forth in Figure 1 and Figure 2, as well as several working groups and task forces as established by the Executive Board or its Subcommittees.

Any of these entities may, in the course of the activities performed, identify a need for support which is not available from its active membership. Generally, these activities should be identified for inclusion in the NGEC’s annual budget and the Federal Railroad Administration (FRA) grant statement of work. For those that are not, amendments to the budget and/or grant statement of work will be required.

Develop Statement of Work, Evaluation Criteria and Cost Estimate, and Identify Project Manager

A Statement of Work (SOW) shall be developed by the entity which has identified the need (“Requester”). The SOW must describe the rationale for the external support required (the need), the work to be performed, the product or deliverable resulting from the effort, and the schedule for the performance of the work. A list of the criteria to be used for ranking the proposals in order of priority, with relative weights specified shall accompany the SOW. The Requester shall identify the person or entity who will serve as Project Manager if it will not be the Requester. If the proposed contract is envisioned to be procured on a sole-source basis, the SOW must also include identification of the source, a justification for why the source identified is uniquely qualified to perform the work and a cost estimate. Depending on the proposed duration of the contract, periodic cost reporting requirements may also be incorporated into the SOW. A sample SOW is included as Appendix A.

Determine Budget Availability
The Requestor must determine whether the Requesting entity or another appropriate entity with discretionary budget authority has adequate funds available to accommodate the proposed need. If not included in the existing NGEC budget, the Requestor will first obtain approval from the full sponsoring Subcommittee to submit the request to the Finance and Administrative Subcommittee and the Amtrak Program Manager.

The Finance and Administrative Subcommittee will determine if the NGEC has the requested funding elsewhere in its budget and the Amtrak Program Manager will determine whether the requested work will require an amendment to the FRA grant statement of work. If budget funding is approved by the Finance Committee, it will then advance the request to the full Executive Board for approval. If the Amtrak Program Manager determines that an amendment to the FRA grant statement of work is required, and if the Executive Board approves the request, then the Amtrak Program Manager will submit the amendment to the FRA for approval.

**Obtain Approvals**

Once it is determined that adequate funding is available, depending on the estimated cost for the proposed work, the Requester will route the SOW to the appropriate Subcommittee(s) and/or the Executive Board for approval to issue a solicitation. The contract value thresholds and associated approval hierarchy is shown in Table 1.

**Determining Responsible Contracting Entity and Managing the Procurement Process**

Depending on the type of services being procured, the entity which will be responsible for managing and documenting the procurement process must be identified. The Executive Board may request Amtrak, as FRA grantee on behalf of the NGEC, to perform this function generally through its Support Services agreement with AASHTO. If Amtrak does so, it will follow its FRA-approved procurement procedures. However, if the Executive Board and Amtrak decide that another entity — such as one of the Subcommittees — can manage the procurement process, that entity will follow the Procurement Standards in 49 CFR Part 19, as modified here.

**Source Solicitation**

The RFP, shall be published on the NGEC website, and shall include submission instructions, the approved SOW, and the evaluation criteria and their relative weight in the evaluation process. In addition to a substantive response to the SOW, the proposal should include the estimated contract price and requested payment terms if different from the proposed terms in the RFP. The solicitation must specify the period of time during which proposals will be accepted. It is envisioned that a two-week period will be adequate, but a lengthier proposal period may be appropriate for certain situations.

**Source Selection**

The Requester shall review the proposals received. The Requester must assemble a proposal review team which shall consist of, at a minimum, the Chair of the Subcommittee requesting the support, one FRA representative, an Amtrak representative, and one state representative. Additional proposal review team
members may be included at the Requester’s discretion. The team will rank the proposals according to the
stated evaluation criteria to determine which proposals fall within a “competitive range.” Negotiations are
not required to be undertaken at all and an award may be made based on only the review and evaluation
of the written proposals. However, if members of the evaluation team have questions about any proposals
and/or wish to discuss proposals with one or two proposers, negotiations must be undertaken with all
proposers within the competitive range. In such case, at the end of the negotiations, all proposers will be
invited to submit their best and final offers (BAFO). These BAFOs will be reviewed by the team which will
then make a recommendation concerning contract award.

Proposals are evaluated by the team and ranked according to the following criteria. N.B. these criteria may
be revised depending on the situation.

Technical score:
- Qualifications/Experience of Proposer ..........................................................xx points
- Understanding of the problem.......................................................................xx points
- Proposed solution.........................................................................................xx points

Price score:
- Formula to be developed..............................................................................maximum 20 points

The sum of the technical and price score is the total score for the proposal. The proposal with the highest
total score is selected.

Contract Award and Administration

The Chair (or leader) of the Requester will approve award of the contract, consistent with the requirements
in Table 1. The contracting entity on behalf of the NGEC will normally be AASHTO through its agreement
with Amtrak, unless Amtrak, in cooperation with the Executive Board, determines that it would be more
efficient and cost effective for another entity to enter into a contract with the successful proposer. A
modification to Amtrak’s existing contract with that entity (e.g., AASHTO) will need to be made to provide
for the sole source addition of the new work to the existing contract. If Amtrak and the NGEC prefer that
Amtrak execute the contract on behalf of the NGEC, Amtrak may still, in cooperation with the Executive
Board, determine that AASHTO should participate in the administration of the contract in which case,
appropriate modifications to Amtrak’s contract with AASHTO and to the FRA-Amtrak grant agreement may
still need to be executed. Contract Administration occurs concurrently with Project Management.

No contractor/proposer can begin any work until the contract is fully approved and executed.

Project Management

The chair (or leader) of the Requester (or his designee) will perform the role of the Project Manager. The
Project Manager is responsible for ensuring that the proposed work is accomplished according to the
schedule and within budget and for coordinating with either Amtrak or AASHTO concerning the
administration of the contract. The Project Manager will ensure that all required documentation is
developed and maintained to properly document the administration of the contract. Project Management occurs concurrently with Contract Administration.

**Change Orders and Contract Modification**

Any proposed change order or other contract modification that requires an increase in funding beyond the approved project or otherwise significantly changes the statement of work must be resubmitted to the Finance and Administrative subcommittee and the Amtrak Program Manager and the full approval process as if it were a new contract or purchase. *No work on the change order or contract modification may begin until it is fully approved and executed.*

The entire process is described in a flowchart shown in Figure 3.

**Invoices and Payment**

Invoices will be reviewed, and if approved, paid within 30 days of receipt. If an invoice is not approved, the submitter will be provided an explanation and requested to submit a revised invoice within 30 days of the initial submittal.

For invoices submitted by approved Support Services Consultants, specifically the Manager of the NGEC Support Services, the invoices will be approved by AASHTO Support Services and the Amtrak Program Manager.

For invoices by NGEC members and support staff for travel related to NGEC meetings and for items covered by the approved budget and work plan for support services, the invoices will be approved by AASHTO Support Services and the Amtrak Program Manager.

For invoices for all other contracts, procurements or task orders not addressed above, the invoices will be approved by AASHTO Support Services and the Amtrak Program Manager, as well as by the sponsoring subcommittee’s project manager and by the Chair or Chair’s Designee.

Note that no person may participate in the selection, award or administration of a contract if a real or apparent conflict of interest would be involved.
Table 1. Section 305 Next Generation Equipment Committee Decision/Approval Matrix for Budgetary Expenditures

<table>
<thead>
<tr>
<th>Expenditure Type</th>
<th>Support Services / Amtrak Program Manager</th>
<th>Finance and Administrative Subcommittee</th>
<th>Sponsor Subcommittee</th>
<th>Executive Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large New Contracts, Procurements, and Task Orders over $25,000.00.</td>
<td></td>
<td>Full Subcommittee</td>
<td>OR</td>
<td>Full Subcommittee and Designated Project Manager AND</td>
</tr>
<tr>
<td>Small New Contracts, Procurements, and Task Orders $25,000.00 and below.</td>
<td></td>
<td>Full Subcommittee</td>
<td>OR</td>
<td>Full Subcommittee and Designated Project Manager AND</td>
</tr>
<tr>
<td>Invoices by approved Support Services Consultant(s) (Manager of the NGEC Support Services)</td>
<td>Support Services and Amtrak Program Manager</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Invoices by Sec. 305 members for travel related to Sec. 305 meetings and for items covered by the approved budget and work plan for support services.</td>
<td>Support Services and Amtrak Program Manager</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Invoices for all other contracts, procurements or task orders; any item not addressed above.</td>
<td>Support Services and Amtrak Program Manager</td>
<td></td>
<td>AND</td>
<td>Project Manager and Chair or Chair’s Designee</td>
</tr>
</tbody>
</table>
Figure 1. NGEC organizational chart (1 of 2).
Figure 2. NGEC organizational chart (2 of 2).
Figure 3. Flowchart describing NGEC process for acquiring contractual support.

*SOLE SOURCE JUSTIFICATION: Selected contractor is the only qualified source willing and available to provide the requested service at the time the services are needed and within the budgeted price.
APPENDIX A: SAMPLE STATEMENT OF WORK

“(T)o review and analyze the Document Change Request revisions to the NGEC Single Level Trainset passenger vehicle technical specification. The 75 Documented Change Requests were developed by the Technical Subcommittee Working Groups: Mechanical, Electrical, Interiors, Structures, Vehicle/Track Interface and submitted to the Document Control Board for review and approval. The Document Management Process ensures that the specification process designs, and support documentation are managed and reviewed, revised, and controlled that preserves the integrity and detail of the approved documents. (The) task is to review all recommended DCRs to ensure that they are in compliance, and do not conflict with the Requirements Document for the Single Level Trainset that was developed and approved by the NGEC Executive Board. The review will include all Requirements Document Criteria review, including operational/performance requirements, interoperability requirements, safety, reliability and maintainability requirements, passenger amenity requirements, communications and electrical, and all regulatory and industry standards, etc. This review is requested at the direction of the NGEC Executive Board through its appointed Technical Specification Review Panel. (t)he Review Panel’s independent consultant, is requested to review each recommended DCR, prepare a concise summary report for the Review Panel’s review and approval before forwarding to the NGEC Executive Board for approval. This work is done in preparation for the use of the Single Level Trainset Technical Specification for the procurement of NGEC Single Level Trainset passenger equipment.”

Additional Sample Statement of Work

C. Statement of Work

The work shall be performed on a Firm-Fixed-Price basis in accordance with this Statement of Work.

NGEC Background

The Passenger Rail Investment and Improvement Act of 2008 (PRIIA), Section 305, requires Amtrak to:

“...establish a Next Generation Corridor Equipment Pool Committee, comprised of representatives of Amtrak, the Federal Railroad Administration (FRA), host freight railroad companies, passenger railroad equipment manufacturers, interested States, and, as appropriate, other passenger railroad operators. The purpose of the Committee shall be to design, develop specifications for, and procure standardized next-generation corridor equipment.”

Amtrak established the Next Generation Equipment Committee (NGEC), which has completed the development of technical specifications for single- and bi-level passenger rail cars, diesel-electric locomotives, dual mode (DC 3rd Rail) locomotives, diesel multiple units (DMUs), and single level trainsets that will be used for future equipment procurements for state corridor services.

HSIPR Background

The High Speed Intercity Passenger Rail (HSIPR) Program was created to help address the nation’s transportation challenges by making strategic investments in an efficient network of passenger rail corridors that connect communities across the country. These investments focus on three key objectives:
1. Building new high-speed rail corridors that expand and fundamentally improve passenger transportation in the geographic regions they serve;
2. Upgrading existing intercity passenger rail corridors to improve reliability, speed, and frequency of existing services; and
3. Laying the groundwork for future high-speed rail services through corridor and state planning efforts.

To meet these objectives and realize President Obama’s vision of giving 80% of Americans access to high-speed rail within the next 25 years, FRA has solicited applications for more than $10 billion in grant funding made available through the American Recovery and Reinvestment Act (ARRA) and annual appropriations for FY 2009 and FY 2010.

Study Overview

Through a combination of HSIPR grants and state funds, FRA and states are making strategic investments totaling $849 million for the acquisition of an estimated 130 bi-level cars, 35 high-speed diesel locomotives, and one trainset, for intercity passenger rail service in eight states, namely, California, Washington, Oregon, Illinois, Missouri, Michigan, Indiana, and Iowa. In addition, FRA provided a $563 million Railroad Rehabilitation and Improvement Financing (RRIF) loan to Amtrak to procure 70 high-performance electric locomotives, along with spare parts and facility-related upgrades. These investments are intended to address the growing need to replace current fleet, which is nearing the end of or already exceeded its commercial life. The need to replace the intercity passenger rail fleet, operated along the Northeast Corridor, state-supported corridors, and long-distance routes is also anticipated to grow over the next decade.

The NGEC is actively involved in bringing together the states that were awarded HSIPR grants to procure intercity passenger rail equipment. California and the Midwest states (Illinois, Michigan, Missouri, and Iowa) are jointly procuring the next generation bi-level rail cars. Simultaneously, he NGEC is spearheading a study that will define the standards for the holistic management of rolling stock for state corridor services, with the expectation that these standards may also be used for all the national intercity passenger rail equipment.

The NGEC and the contractor are to develop standards and recommendations that address equipment ownership, maintenance, and management in a plan that addresses the requirements set forth in Section 6a of the cooperative grant agreement between the states of California and Illinois and FRA for procuring intercity passenger rail equipment, not to address the requirements in Section 6b.

This plan shall address several key priorities of the NGEC and FRA, including, but not limited to:

a. Efficient and cost-effective utilization of equipment, both in state and multi-state corridors.
b. Deployment of equipment that allows for adjustments due to demand changes, including seasonal adjustments.
c. Standardization of intercity passenger rail equipment
d. Minimization of commercial life-cycle costs (LCC) over the equipment’s
expected lifetime
e. Adequate funding for operations, maintenance, and overhauls (including facilities and tooling) over the equipment’s lifecycle
f. Equitable allocation of costs
g. Adequate ownership models and structure

As defined in the cooperative grant agreement requirement stated above, the plan shall be developed in collaboration with the NGEC. NGEC has constituted a Structure and Finance Task Force (SFTF).

Among the responsibilities of the SFTF is to manage and oversee the development of this plan. The contractor is expected to work very closely with the SFTF and FRA during the development of this plan, and should expect significant input from FRA’s grantees that are leading equipment procurement efforts (California, Illinois, Michigan, Missouri, and Washington).

Scope

There are three tasks in this Statement of Work:

• Task 1 is to review best practices and formulate recommendations on six topic areas - Equipment Management; Equipment Maintenance; Equipment Deployment; Financial Related- Funding, Pricing, and Cost Sharing; Equipment Assignment; and Equipment Ownership Models and Structures.

• Task 2 is to apply the recommendations from Task 1 to the Midwest to demonstrate the applicability of the plan in the real-world. The result of Task 2 is the development of a “Section 6” Plan for the Midwest states.

• Finally, Task 3 is to develop a guidance document/handbook that will be used by other states or regions to develop future Section 6 plans, indicating opportunities for customization of such plans. The States of California and Washington will utilize such a document to develop their Section 6 plans.

Task 1 – Development of Standards and Recommendations

In this task, the contractor will complete the following work elements. The contractor shall develop standards and recommendations for the issues analyzed within each topic area.

Equipment Management

The key priority in this topic area is the development of an implementation plan for planning processes that will allow for long-term planning for equipment needs at a regional and national level;

• Identify the functions to be executed by the entity (ies) managing equipment, nationally or regionally or at a state level, including but not limited to, long-term planning, procurement, replacement plan, capital/overhaul plans, maintenance philosophies, repairs etc.
- Develop a framework for long-term equipment planning process, at a minimum, based on state rail plans, service development plans, demand growth, and optimal commercial life expectations.

**Equipment Maintenance**

The key priority in this topic area is to develop recommendations on maintenance philosophies and required infrastructure (e.g., data, systems) that will minimize the life-cycle costs of maintaining the equipment over the expected life time.

- Define maintenance philosophy for the intercity passenger rail equipment that addresses the key priorities of the NGEC and FRA (identified above).
  - Identify various maintenance principles/philosophies (e.g., reactive maintenance, preventive maintenance (time or mileage based), predictive maintenance (condition or performance based), reliability centered maintenance)
  - Discuss and assess maintenance principles/philosophies using a set of defined criteria including their specific advantages and disadvantages and recommend practices for state corridor rail equipment. Consideration should be given to fleet owners with different types of equipment – old and new, which might require simultaneous operation of different maintenance principles. Also include cost estimates for the implementation of preferred maintenance principles.

- Discuss the cost, operational, and performance data (e.g., what data needs to be collected) and system requirements (e.g., what systems are required) to efficiently maintain equipment over its life time. Define best practice analytical methods and performance metrics to measure and monitor equipment performance.

- Develop a standard LCC-model framework that will be used to capture all costs over the commercial life of the equipment. This model should also function as a cost forecasting tool and support replacement, overhaul, or upgrading decisions. This model should also be used to perform optimal commercial life calculations.

- Develop a framework to determine optimal maintenance locations and scope of work performed at each location that minimizes capital, and operations and maintenance costs and ensures efficient equipment utilization. Determine workshop tooling and equipment required for each location. Determine range of costs to establish and equip maintenance locations.

- Implementing new maintenance practices may require initial and continuous training of workshop staff and managers. Develop a plan for the initial training phase that should include workshop, warehouse, and clerical staff, taking into consideration applicable maintenance requirements, e.g., federal and/or manufacturer requirements.
• Discuss various models of maintenance execution (e.g. Amtrak, equipment manufacturer; Amtrak employees operating under manufacturer’s standards and supervised by manufacturer; contractors; or a combination) with Pros and Cons and potential challenges (e.g. labor rules).

Equipment Deployment

The key priority in this topic area is to allow for flexible deployment of equipment based on the passenger service needs. In most cases, the equipment, is currently being managed in regional pools by Amtrak and deployed on multiple routes and across various states. The initial deployment of equipment is based on the service determined either in the current Amtrak schedules or the corridor service development plans for which the equipment is procured. However, future deployment should be flexible enough to accommodate deployment of equipment to other routes/corridors that are part of the same pool or across other regional pools in the country. The contractor shall:

• Develop a procedure for making equipment deployment decisions across multiple routes and corridors within a region where the equipment is managed as part of a pool based on factors such as, but not limited to, those below:
  - Demand
  - Revenue impact
  - Cost impact (incl. price)
  - Unplanned incidents – accidents, break downs, weather, construction etc.

• Develop principles for making decisions to deploy equipment in other regions of the country and their associated impacts on costs and revenues.

• Develop a process for resolving conflicting interests among states, owners, operators, and host railroads concerning re-deployment. For example, the current supply of equipment is limited. Simultaneously, if there is a need for equipment across several routes then the states are competing from a limited pool of equipment, which creates a conflicting situation.

Financial Related – Funding, Pricing and Cost Sharing

Equipment owned, managed, and maintained as a pool (or a single state) and operated across multiple routes and states requires a mechanism that defines how costs are shared among the states supporting those routes. Also, when there are changes in service or equipment is redeployed, there must be guiding principles on how to price and allocate marginal costs.

The contractor will examine the various financial issues related to the management and maintenance of the equipment and operating costs as well as capital investments such as equipment overhauls or major component replacements. The key priority for FRA and NGEC is to ensure equity in the
allocation of costs and price. The contractor shall address the following issues.

- **Cost Allocation Methodology** – The contractor shall develop alternate costing methodologies and approaches to equitably allocate the equipment related costs (capital and O&M) among the states identifying pros and cons for each methodology. A preferred alternative shall be selected jointly with the SFTF. A scenario should be developed for both planned operations, which are typically known, and unplanned/unforeseen operating conditions, for example, during accidents, warranty issues, service delays etc. The preferred costing methodology should also factor in building reserves so that overhauls and other major capital expenditures are planned for. The contractor should not duplicate but may reference to any cost data or cost allocation methodology/ies developed to implement PRIIA Section 209 requirements.

- **Pricing** – When equipment is re-deployed, to optimize the utilization of the equipment, there should be a mechanism for estimating the charge/price for re-deployment, when redeployment is across state boundaries in a different corridor/route. The contractor will develop a methodology for estimating this charge/price.

- The contractor should describe the potential role for short and medium term leasing of equipment -
  - While awaiting delivery of equipment in production.
  - When service needs to be proven in short term before making long-term commitment.
  - When future service needs are known to require a different equipment type or design than is currently in production.

- **Potential role for purchasing or leasing of demonstration equipment.**

- **Potential role for an entity purchasing or leasing equipment with non-grant funding for use by others, including states.**

- **Potential revenue opportunities through ancillary businesses, such as providing rolling stock engineering services, or procurement services, to both intercity and transit providers.**

**Equipment Assignment**

Initial equipment assignments will be made to the grantees upon the delivery of the bi-level cars and locomotives currently procured by the states. There may be a need to reassign ownership of equipment to states, other than California and Illinois, like Michigan, Iowa, Missouri, and Washington who are not direct grantees. Also, upon implementation of the recommendations from this study there might be a need to assign or re-assign the equipment to other entities. The contractor should examine legal implications resulting from the re-assignment of equipment. State laws and regulations, and tax implications should be considered while providing guidance.
Equipment Ownership Models and Structures

Currently, the states procuring the equipment will become initial owners. It is feasible that in the future the ownership to the state corridor equipment may be transferred to a different ownership and management structure. The contractor shall examine alternate equipment ownership models and structures and make recommendations on appropriate ownership models for the short-term (upon delivery of equipment and until a long-term institutional structure is put in place) and the long-term.

Specific attention should be focused on a national vs. regional organizational structure, different legal forms of the entity/entities, and different alternatives for shareholder models and structures. A transition plan should also be developed that addresses how the equipment ownership could be transitioned from current ownership structure to a long-term ownership structure. Most of the equipment operating on state corridors is primarily owned by Amtrak. A limited number of states (California, Washington, and North Carolina) supply most of the equipment used in state corridors. However, with the HSIPR grants, there will be more state ownership of state corridor equipment. These conditions must be considered while examining potential ownership structures. The contractor shall:

- Investigate equipment ownership models (domestic and international). At a minimum, the following models should be researched -- UK Rolling Stock Operating Companies (ROSCOS), TTX, Spain, Netherlands, Germany, and Asia.

- Examine whether there is a need for short- and long-term ownership models.

- Make recommendations on appropriate ownership model(s), institutional structure, governance and management structure that will protect NGEC and FRA’s key priorities. A timeline for implementation should also be developed.

- Legal, financial, and tax implications of implementing the recommendations from the ownership model(s).

- Develop a plan to transition from current ownership structure to recommended ownership structure. This should address a discussion of financing and funding mechanisms.

Task 2 – Development of Midwest Equipment Ownership, Management, and Maintenance Plan

The contractor will demonstrate the “real world” application of the recommendations from Task 1 using the Midwest corridor operations, which will encompass operations on the Chicago to Quad Cities/Iowa City, Chicago to Milwaukee, Chicago to St. Louis, Chicago to Quincy, Chicago to Carbondale, Chicago to Detroit, Chicago to Grant Rapids, Chicago to Port Huron, Chicago to Indianapolis, Chicago to Dubuque and St. Louis to Kansas City corridor routes.

Midwest is an ideal test bed because the region will be the first to encounter several critical issues identified in Task 1. The Midwest is receiving a major infusion of an estimated 88 bi-level cars and 21 locomotives that will be deployed on all routes identified in previous paragraph except for the Chicago
to Milwaukee and Chicago to Indianapolis routes. This introduces a tremendous opportunity to introduce a new paradigm in the way the passenger rail equipment is managed and maintained in this country.

In this task, the contractor will develop the Equipment Ownership, Management, and Maintenance Plan for the Midwest by applying the Task 1 findings. This involves making specific recommendations on each issue from Task 1 and developing a plan that integrates the various issues together within the context of Midwest operations. The contractor should keep in mind the potential for formally adopting and implementing (as required in Section 6b) the plan in the future. The lessons learned from this Midwest application could lead to refinement of recommendations/findings from Task 1.

**Task 3 – Develop a guidance document/handbook that could be used by other states or regions to develop future “Section 6” plans, indicating areas of opportunity for customization of such plans**

The contractor will develop a guidance document/handbook that draws on lessons learned in the Task 2 effort. This document would contain much of the general detail needed for future “Section 6” plans, and identify areas in which states or regions would need to input their own data, or make choices between multiple options. The contractor will identify topics in this plan that are cross-cutting, and hence can apply recommendations from Task 1 and refined as a result of Task 2. The guidance document/handbook shall also include detailed descriptions, and if applicable software tools, for LCC, commercial life calculations, facility identification, fleet planning and management tools, etc. Also, the contractor will identify issues that are specific to California and Washington (the next states expected to develop “Section 6” plans), which require further definition and customization. The contractor is not expected to develop a full-fledged “Section 6” plan for California and Washington.

**Background Data**

The contractor is provided with the following background information to assist with the preparation of the proposal response.

- **#1 - Section 6 Cooperative Grant Agreement – Equipment Ownership, Management, and Management Plan excerpted from the Cooperative Grant Agreement between FRA and the states – CA and IL. (see Appendix)**


- **#3 – FRA response to the SFWG Report**

Documents #2 and #3 can be found online at: [http://www.highspeed-rail.org/Pages/SFWG.aspx](http://www.highspeed-rail.org/Pages/SFWG.aspx)

**Deliverables**
The minimum deliverables are shown in the following table. The contractor should identify the specific deliverables in their response.

<table>
<thead>
<tr>
<th>Task</th>
<th>Deliverables</th>
</tr>
</thead>
</table>
| 1    | • Draft memos, reports, and presentations on various issues researched and analyzed within each topic area  
      • Final memos, reports, and presentations |
| 2    | • Draft and Final Midwest Equipment Ownership, Maintenance, and Management Plan (Section 6 Plan) and Presentations |
| 3    | • Develop a guidance document/handbook addressing the requirements from Task 3 (including software models and tools)  
      • Identify issues with California and Washington that will require further customization |

Several members of the NGEC will meet face-to-face during the September 16-20th SCORT and NGEC Business meetings in Portland, Maine. This meeting provides an opportunity to present the final draft recommendations on various issues analyzed from Task 1 and the draft of the Midwest Equipment Ownership, Maintenance, and Management Plan (“Section 6” plan) from Task 2 to the states. The SFTF should be given an opportunity to review the findings and deliverables ahead of that presentation. In the event of delay in Notice to Proceed, NGEC, FRA, and the contractor will work together to identify whether the draft findings can be presented to the states at an alternate time and method, or with a subset of the content that is completed by that time. Final deliverables are due at the completion of the project period of performance.

**Progress Reports**

In addition to the Deliverables identified above, the contractor shall deliver the following:

Monthly progress reports, as defined below, shall be submitted within (5) working days following the end of each month. The contractor shall submit the progress report in electronic format to the designated AASHTO program manager and to the AASHTO Contracts Manager, at the appropriate email addresses.

Monthly Progress Reports – A summary of the progress made under the contract during the reporting period, separated into logical work elements. This shall include (1) pertinent information sufficient to explain any significant results achieved; (2) an explanation of any technical and/or schedule problems which may have occurred or are expected to arise; (3) description of any differences between planned and actual technical progress shall include a statement of why the differences occurred or why they are expected to occur and what remedial or alternative actions are planned or recommended. This may include any recommended action by the NGEC to assist in the resolution of a problem; (4) actual versus planned schedule and cost performance as measured against the project’s baseline for each major work element and/or deliverables; (5) projected activities for the next reporting period; and (6)
review meeting schedules, as appropriate.

Meetings

The Structure and Finance Task Force meets by phone every 2 weeks. The contractor is expected to participate in every call, unless expressly requested by the SFTF to not participate in a call. The contractor should assume the kick-off meeting to be in Washington, DC at the DOT headquarters where the participants will be SFTF members, FRA, and Amtrak.

Revised – June 29, 2017  Finance and Administrative Subcommittee