

**Request for Proposals**  
**Operation of Five Short Line Railroads in Central Pennsylvania**  
**July 10, 2014**  
**Questions & Answers**

SEDA-COG Joint Rail Authority (the “JRA”) has created this RFP webpage in an attempt to provide a convenient means for communicating information to individuals interested in submitting responses to the Request for Proposals (RFP) issued by the JRA for the operation of five short line railroads on lines owned by the JRA. From time to time throughout the RFP process, the JRA will provide important information relative to the RFP process. In this particular section, the JRA intends to address various questions posed by individuals interested in the RFP process. Accordingly, the JRA has compiled the following Questions & Answers based on its review of the questions posed, which it has deemed relevant to the RFP and important to understanding the JRA’s approach to the RFP. As necessary, the JRA will provide periodic updates to this webpage from time to time.

**How will the JRA select the successful proposal?**

The JRA will employ a two-phase review process to ultimately select one proposal for operation of the JRA rail lines for rail freight services. In this two-phase process, scoring will be conducted in each phase based on various criteria set forth in the RFP. Phase 1 is the Request for Qualifications (RFQ) phase. This phase will involve an examination and evaluation of the qualifications of all initial respondents to the RFP. The deadline for the submissions in response to the RFQ phase is August 1, 2014, at 3:00 p.m. The JRA will assess each respondent’s submission through the use of a scoring system, under which the JRA will assign 0 to 20 points to each of the following categories: (1) “Approach to Operations;” (2) “Qualifications and Experience;” and (3) “Financial Capability.” Respondents are also required to provide an answer regarding the “Effect of Other Operations on JRA Lines,” which may result in a deduction of points. Specific information required to be provided in each category is set forth in the RFP document. After the JRA conducts the Phase 1 review and scoring, the submissions with the three highest scores out of sixty points will be invited to proceed to Phase 2. Phase 2 is referred to as the Detailed RFP phase. This phase will require more comprehensive submissions from each of the invited proposers, including various information required in the following categories: (1) “Background Information;” (2) “Operations Plan;” (3) “Maintenance Plan;” (4) “Marketing Plan;” and (5) “Financial Plan.” The JRA will after receiving these submissions conduct a more comprehensive review and evaluation of the proposals, and the invited proposers will have the ability to inspect the JRA rail lines at a date and time to be determined in Phase 2. The JRA will then score proposals in Phase 2 by assigning 0 to 20 points to each of the following categories: (1) “Commitment to Track Maintenance;” (2) “Commitment to Safe Operations;” (3) “Soundness and Sustainability of Operating, Marketing, and Financial Plans;” (4) “Commitment to Public/Private Partnership;” and (5) “Commitment to Economic Development.” The successful proposal will be the proposal obtaining the highest cumulative score in the five categories. Please see the RFP for more detailed information concerning submission requirements and selection criteria.

**Who will be responsible for reviewing and scoring submissions?**

The RFP provides that the JRA Operating Agreement Committee will thoroughly review and recommend to the JRA Board of Directors the top scoring proposers. The Operating Agreement

Committee engaged in a comprehensive preparation process in developing the RFP document for the JRA Board's approval and issuance. Although the Operating Agreement Committee had a primary role in developing the RFP, it is anticipated that the JRA Board may assume responsibility for independently reviewing and scoring submissions in both of Phase 1 and Phase 2, with input and recommendations from the JRA staff and consultants. The JRA intends to devote the appropriate level of time and attention to review of each submission, and the JRA believes that can be best accomplished through having entire Board participation in the selection process.

The JRA will consider these review procedures at its August 13, 2014 meeting.

### **Who serves on the JRA Board?**

The JRA Board is composed of volunteer members appointed by each of the eight member counties of the JRA. Two representatives from each county are appointed to sit on the JRA Board. The current Board members include individuals representing various occupations in both the public and private sector. In order to preserve the integrity of the RFP review and selection process and avoid any appearance of bias in the process, Board members who are associated with a business having a customer relationship with the JRA's current operator have elected to abstain from participation in the RFP selection process.

### **Are JRA Board and Committee meetings open to the public?**

All JRA Board and Committee meetings are open to the public, except in certain limited cases where executive sessions are necessary.

### **What is the relationship of the JRA and the rail operator?**

The JRA considers its relationship with the operator as a public/private partnership. The operator will be an independent contractor of the JRA, and the contractual relationship between the JRA and the operator will be pursuant to an operating agreement to be executed by the JRA and the successful proposer. Under the operating agreement, the selected proposer will have exclusive use of the JRA's rail lines for rail freight services in exchange for payment of an operating fee and fulfillment of other requirements. The operating agreement, which is attached to the RFP, includes various duties and responsibilities to be performed by the operator in its operation of the JRA rail lines, including reporting obligations relating to financial performance, operations, marketing, and maintenance of way; maintenance of the JRA's rail lines in accordance with JRA track maintenance standards and asset guidelines; furnishing all requirement management, supervision, and other services for rail operations; meeting certain customer service standards and operating and maintenance expenditure thresholds; and cooperating with the JRA in carrying out its mission of preserving rail freight service and fostering economic development and job creation in the region through the improvement and expansion of rail infrastructure.

### **Does it matter whether the proposer will be one entity operating all JRA rail lines or several entities operating individual JRA rail lines?**

In both phases of the RFP process, the JRA will review information concerning the proposer's business structure. In Phase 2, the invited proposers will be required to provide more detailed information concerning the proposed corporate structure (whether one single entity or various affiliated

entities) for operation of the JRA's rail lines. There is not, however, any specific requirement concerning a proposer's identity or corporate structure in order to submit a proposal.

**What is the communications protocol for the RFP process?**

The JRA's Executive Director, Jeff Stover, shall be the sole point of contact for proposers concerning questions or other communications relative to the RFP. Mr. Stover may be reached by phone at (570) 524-4491 (office) or (570) 847-9503 (cell), by email at [jstover@seda-cog.org](mailto:jstover@seda-cog.org), or by mail at 201 Furnace Road, Lewisburg, PA 17837. All communications or discussions concerning the RFP between proposers and JRA Board members and consultants are prohibited and may be grounds for removal of the proposer from consideration.

**Are there any rail facilities which are not owned by the JRA which are utilized by the current operator in its operation of the JRA properties included in the RFP?**

Yes, the current operator has a lease with Norfolk Southern for tracks in the Northumberland Yard.

**What is the time period involved for the summary of track inspections conducted by the Federal Railroad Administration (FRA) on any rail lines owned or operated by the proposer and the list of any violations or fines imposed by the FRA regarding same, which are required to be submitted in the RFQ phase?**

The JRA seeks this information for the previous three years prior to the issuance of the RFP.

**Does the scope of this requirement pertain strictly to track inspections or to other FRA inspections?**

The JRA seeks information concerning track inspections, hours of service (operations), hazardous materials, and signals.

**Is there an existence of Class 2 interchanges?**

Yes, there is a direct connection between the Shamokin Valley line and the Reading & Northern Railroad near Mt. Carmel, PA.

**Where can interested proposers find a list of existing JRA facilities, such as engine houses and other buildings, utilized in rail operations?**

A list of all JRA-owned buildings is on this website as a .pdf file named "JRA Properties Buildings Insured."