

MODEL BEST VALUE REQUEST FOR PROPOSALS (RFP) FOR
PURCHASE OF ROLLING STOCK BY US TRANSIT AGENCIES (version
for "Big Buys.")

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DEFINITIONS

As used in this RFP, the following capitalized terms will have the following meanings. All definitions include both the singular and plural form.

ACTIONABLE FAILURE means, with regard to U.S. Employment Plan Commitments and related reporting requirements:

- a. the material failure to comply with or satisfy U.S. Employment Plan Commitments, except where U.S. Employment Plan Commitments are explicitly amended in writing by Contractor and Agency, after public notice and comment period regarding such proposed amendment. Public notice and comment period regarding such amendments shall include, at a minimum, placement on Agency's website and a 30 day public comment period; or,
- b. the failure to submit any required reports or requested compliance information relating to U.S. Employment Plan Commitments within 60 days after the due date specified in the Contract or requested in writing by the Agency.

Minor irregularities, informalities or apparent clerical mistakes in any report or minor deficiencies in the compliance with U.S. Employment Plan Commitments shall not be considered Actionable Failures.

AGENCY means the transit or other government institution responsible for issuing this RFP (insert legal name of Agency here).

AMENDMENT means any addenda or requirement added to or deleted from the RFP after the initial date of issuance.

AREA OF CONCENTRATED POVERTY means a U.S. Census tract that qualifies as a HUD designated Qualified Census Tract (QCT) in which 50 percent of all households have incomes less than 60 percent of the area median income (AMI) – OR – the poverty rate in the tract is 25 percent or more.¹ To determine an employee's eligibility, enter the employee's home address

¹ For more on Qualified Census Tracts, see: HUD User, "HUD Designates Low-Income Housing Tax Credit Qualified Census Tracts for 2013," http://www.huduser.org/portal/pdredge/pdr_edge_research_042412.html.

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or census tract within HUD's QCT mapping application:

<http://www.huduser.org/QCT2013/qctmap.html>.

BAFO means best and final offer, which is an updated version of the Proposal submitted by a Proposer in the Competitive Range towards the end of the Evaluation Period. If requested by the Agency, the best and final offer will be the basis for the award of the Contract by the Committee. Every effort will be made by Agency to ensure that only one BAFO is requested of Proposers with Proposals in the Competitive Range for this Project.

BEST VALUE refers to the Proposal that contains the combination of Evaluation Criteria offering the best overall value to the Agency, as described herein.

BUY AMERICA means the requirements for minimum domestic content for all Rolling Stock purchases, set forth in **49 U.S.C. § 5323(j); 49 C.F.R. Part 661**.

COMMITTEE means the selection committee established by the Agency for the evaluation of Proposals submitted pursuant to this RFP. This Committee will be composed of Agency staff, as well as other participants that Agency may deem appropriate.

COMPETITIVE RANGE refers to the set of Proposals that the Agency determines: (i) are Responsive; (ii) are submitted by a Proposer that the Agency has deemed Responsible; (iii) meet the functional requirements of the Technical Specifications; (iv) for which the Proposer is prepared to implement all aspects of the U.S. Employment Plan; and (v) offers pricing that is generally competitive with other Proposals received.

COMPREHENSIVE WORKFORCE DEVELOPMENT PROGRAM means a program created by the Proposer to recruit New Hires and to provide Workforce Training to its workforce responsible for all aspects of design and production of Vehicles pursuant to the Proposal and Contract.

CONTRACT OR CONTRACT DOCUMENTS means the agreement and all attachments and exhibits related to the purchase by Agency of the Vehicles, as awarded pursuant to the procedures and requirements set forth in this RFP and other Agency contract award guidelines.

CONTRACTOR means a party to an executed Contract with the Agency.

COST ACCOUNTING SYSTEM means an internal software accounting system that allows Proposers and Contractors to segregate direct hours and costs to allow for the Agency to verify and validate allocable jobs created and hours expended on direct work under the Contract.

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DBE means a Disadvantaged Business Enterprise as defined by the federal government, pursuant to 49 CFR, Part 26.

DISABILITY means, with respect to an individual, a physical or mental impairment that substantially limits one or more life activities of such individual.

DISABLED VETERAN means a veteran who served in the US Armed Forces and was either, retired from active military service with a service-connected Disability rating of 30 percent or more; or was rated by the United States Department of Veterans Affairs as having a compensable service-connected Disability of 30 percent or more.

DISABLED WORKER refers to a person who has a type of Disability that is targeted for emphasis in affirmative action planning for federal employment by the Office of Personnel Management (See, http://www.opm.gov/diversityandinclusion/reports/disability/DisabilityReportFY11_07-24-12.pdf) and who has documentation of her/his Disability from a licensed medical professional (e.g., a physician or other medical professional certified by a state, the District of Columbia, or a U.S. territory to practice medicine); a licensed vocational rehabilitation specialist (i.e., state or private); or any Federal agency, state agency, or agency of the District of Columbia or a U.S. territory that issues or provides disability benefits. Targeted disabilities include deafness, blindness, missing extremities, partial paralysis, complete paralysis, convulsive disorders, intellectual disabilities, mental illness, genetic or physical condition affecting limbs and/or spine.

DISADVANTAGED WORKER means either:

1. An individual who faces at least one of the following barriers to employment:
 - a. Being a Disabled Worker,
 - b. Being a current recipient of Supplemental Nutrition Assistance Program (SNAP) benefits or Temporary Assistance for Needy Families (TANF) benefits because of extreme poverty,
 - c. Having a past record with the US criminal justice system that includes a felony conviction;
 - d. Being a Disabled Veteran; or
2. An individual who (a) prior to commencing work on the Project, has a household income of less than 50 percent of the Area Median Income (AMI) as defined by the U.S. Department of

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Housing and Urban Development. See: <http://www.huduser.org/portal/datasets/il.html> and, (b) who resides in an Area of Concentrated Poverty. (To determine an employee's eligibility for this status, enter the employee's home address or census tract within HUD's QCT mapping application: <http://www.huduser.org/QCT2013/qctmap.html>.)

DOMESTIC FACILITY means a physical plant or factory located within the 50 states or territories of the United States.

DOMESTIC PRODUCTION means the design, Manufacture and Final Assembly of Vehicles within the 50 states or territories of United States of America.

ECONOMIC MULTIPLIER means a figure that will be applied to the total employment value as calculated on the U.S. Employment Plan Labor Value Form, to capture the induced effects on total economic activity (output) resulting from the increased employment income generated by the Contractor and any Subcontractors. The economic multiplier for the railroad Rolling Stock and bus Rolling Stock manufacturing industries, is 1.62 and is derived from the IMPLAN 3.0 software using the IMPLAN 2010 dataset, constructed by the Minnesota IMPLAN Group Inc.²

EQUAL EMPLOYMENT OPPORTUNITY LAWS AND REGULATIONS means the federal laws and regulations prohibiting discrimination based on race, color, religion, national origin, disability, age or sex. See <http://www.eeoc.gov/policy/ada.html>.

EVALUATION means the review and scoring of a Proposal based on the Evaluation Criteria.

EVALUATION CRITERIA means the criteria for scoring and evaluating the Proposals set forth in this RFP and in any Amendments.

EVALUATION PERIOD means the time period that begins with the formal submission of Proposals and ends with the issuance of a Notice of Intent to Award.

² IMPLAN 3.0 is the Minnesota IMPLAN Group. Inc.'s new economic impact assessment software system. See: http://implan.com/v4/index.php?option=com_content&view=article&id=282:what-is-implan&catid=152:implan-appliance-&Itemid=2 for more information about the software, <http://reic.uwcc.wisc.edu/implan/> for more about the IMPLAN methodology, and http://implan.com/v4/index.php?option=com_content&view=article&id=64&Itemid=25 for a list of clientele (including the U.S. Department of Transportation).

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EVALUATION PRICE means the Vehicle price that will be used in the price component of the Evaluation. The Evaluation Price is determined by application of the Price Adjustment to the Unadjusted Price.

FINAL ASSEMBLY means –in the case of the production of a new, remanufactured, or overhauled rail car –the Installation and interconnection of car bodies or shells, propulsion control equipment, propulsion cooling equipment, brake equipment, energy sources for auxiliaries and controls, heating and air conditioning, communications equipment, pneumatic and electrical systems, door systems, passenger seats, passenger interiors, destination signs, wheelchair lifts, motors, wheels, axles, and gear units, suspensions, frames, and chassis; the inspection and verification of all installation and interconnection work; and the in-plant testing of the stationary product to verify all functions.

In the case of a new, remanufactured, or overhauled bus or van, Final Assembly means the installation and interconnection of car bodies or shells, the engine and transmission (drive train), axles, chassis, and wheels, including the cooling and braking systems; the installation and interconnection of the heating and air conditioning equipment; the installation of pneumatic and electrical systems, door systems, passenger seats, passenger grab rails, destination signs, wheelchair lifts; and road testing, final inspection, repairs and preparation of the vehicles for delivery.

FTE means full-time equivalent employee, which is the mathematical equivalent of one full-time employee based on 2080 hours worked per year.

FRA means the United States Federal Railroad Administration.

FTA means the United States Federal Transit Administration.

HIRES means the employees to be employed by Contractor and all Subcontractors to produce the Vehicles. Hires may not include: 1) current employees who will not be working on the Project; 2) former, furloughed, and/or laid off employees who are separated from employment with a Contractor or Subcontractor on or after the date of Agency's Notice of Intent to Award unless they are rehired to work on the Project; 3) employees hired by a Contractor or Subcontractor to work on other Projects to fill in or replace current employees reassigned to this Project, 4) hours and costs that cannot be segregated and audited pursuant to internal Cost Accounting Systems of the Contractor or Subcontractors.

HUD means the United States Department of Housing and Urban Development.

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INCUMBENT WORKERS means Proposers' current employees who will be employed solely to perform work in furtherance of the Contract.

INDEPENDENT COST ESTIMATE is a tool to assist in determining the reasonableness or unreasonableness of a Proposal being evaluated and is required for all procurements receiving federal funding regardless of dollar amount. FTA [Circular 4220.1F](#), Ch. VI, Para. 6, advises grantees to "perform a cost or price analysis in connection with every procurement action, including contract modifications . . . The starting point for these cost/price analyses is an independent cost estimate which is made before receiving bids or proposals." The Best Practices Procurement Manual ([BPPM](#)), Section 5.2 - Cost and Price Analysis, suggests that the independent estimate can range from a simple budgetary estimate to a complex estimate based on inspection of the product itself and review of items like drawings, specifications and prior procurement data.

LEASE means a written agreement that entitles Proposer to Manufacture or do Final Assembly of the Vehicles on real property located in the United States.

LETTER OF INTENT FOR FACILITY means a letter written and sent by Proposer to owner or holder of an interest in a piece of real property in the United States establishing the intent to Manufacture and/or do Final Assembly of the Vehicles on that property if awarded the Contract.

MANUFACTURING OR MANUFACTURE means all activities relating to the engineering and design and production of the component parts of the Vehicles in the United States **except for** the Final Assembly of the Vehicles.

MILESTONE PAYMENT means a mandated payment by the Agency to the Contractor at a certain stage of performance of the Contract.

NEW DISADVANTAGED WORKERS means New Hires who qualify as Disadvantaged Workers whose first day of employment will be on or after the date the Contract begins, and who will be employed solely to perform work in furtherance of the Contract.

NEW HIRES means new employees whose first day of employment will be on or after the date the Contract begins, and who will be employed solely to perform work in furtherance of the Contract.

NOTICE OF INTENT TO AWARD means a written notice by Agency of a Committee decision to award a Contract to a particular Proposer.

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NON-RESPONSIVE describes a Proposal that is not Responsive, under standards and evaluation procedures described herein.

PRICE PROPOSAL shall mean Proposer's price submission in response to this RFP, using methodology as set forth in f this RFP. The Price Proposal includes the Proposer's Unadjusted Price, the form submissions and supporting documentation required for calculation of the Price Adjustment, and the resulting Evaluation Price.

PRICE ADJUSTMENT means the analysis that permits Proposers to calculate the value of labor, Workforce Training, the Disadvantaged Worker credit and the credit for limited facilities investment in Manufacture of the Vehicles and then deduct that value from the Unadjusted Price, using methodology described herein.

PROJECT means performance of the Contract.

PROPOSAL means a submission to the Agency in response to and as described in this RFP, required in order to be eligible for award of a Contract. A Proposal includes a Price Proposal, a Technical Proposal, and other elements described herein.

UNADJUSTED PRICE means the actual cost of the Vehicles as summarized in the transit vehicle price form in this RFP, prior to the Price Adjustment.

PROPOSER means an entity that submits a Proposal and that would serve as the Contractor if awarded the Contract.

PURCHASE AGREEMENT means a written and executed agreement for the purchase of real property in the United States by Proposer or Contractor for Manufacture and/or Final Assembly of the Vehicles.

RECRUITMENT means the process of finding candidates, reviewing applicant credentials, screening potential employees, and selecting employees for an organization. The most common and effective Recruitment strategies include:

- Obtain referrals from current employees, especially those employees who are Disadvantaged Workers.
- Participate in online social networking at sites such as LinkedIn, Twitter, and Facebook.
- Tap into the online and off-line social networks of current employees.
- Offer an effective, informational corporate recruiting website.

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- Participate in in-person networking at community and professional events, especially those focused on providing support for Disadvantaged Workers.
- Attend and exhibit at job and career fairs at colleges and universities and community and organization-sponsored events, especially those that focus on Recruitment of Disadvantaged Workers.
- Post job openings on job boards.
- Advertise job openings in newspapers and their associated websites, especially those that focus on Recruitment and training of Disadvantaged Workers.
- Sponsor scholarships, activities, class projects and events at local colleges and universities.
- Contract for the services of a Recruitment firm or headhunter.
- Search and use other employer-employee matching methods at a variety of job boards.

RFP means this Request for Proposals.

RESPONSIBLE describes a Proposer that the Agency has determined possesses the apparent ability to meet and successfully complete the requirements of the Contract, using standards and procedures set forth herein.

RESPONSIVE describes a Proposal that the Agency has determined materially responds to or satisfies all Submittal Requirements, that meets or exceeds minimum Technical Specifications and other requirements of this RFP, and that has an Evaluation Price within reasonable range of the Independent Cost Estimate, as described herein.

ROLLING STOCK means transportation equipment utilizing railways or paved roads, including automotive vehicles, buses, locomotives, and railroad cars.

SUBMITTAL REQUIREMENTS means all requirements and requests for information contained in the RFP, including the U.S. Employment Plan Application Form and the U.S. Employment Plan Workbook.

SUBCONTRACTOR means any entity entering into a Contract to assist in performance of the Contract, including Suppliers.

SUPPLIER means any Subcontractor producing or supplying Vehicle component parts as part of performance of the Contract.

SURVEY OF EMPLOYER PROVIDED TRAINING – EMPLOYEE PROGRAM means the Program managed by the Bureau of Labor Statistics of the United States Department of Labor that provides detailed information on training by major industry division and by size of establishment from surveys conducted in 1993 and 1995.

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TECHNICAL PROPOSAL means a Proposer's submission in response to this RFP on matters described herein, including the Technical Specifications, past performance, experience, and other matters.³

TECHNICAL SPECIFICATIONS means the specifications for type and desired functionality of the Vehicles that Agency wishes to purchase through the RFP, as set forth herein.

U.S. EMPLOYMENT PLAN means a written description of the number and quality of U.S. jobs to be created under a Proposal pursuant to a Contract award, containing the elements and forms set forth herein, and containing factors to be taken into account in the Price Adjustment to determine the Evaluation Price.

U.S. EMPLOYMENT PLAN APPLICATION FORM means the form requesting detailed narrative information about a Proposer's U.S. Employment Plan, attached to this RFP.

U.S. EMPLOYMENT PLAN COMMITMENTS means a Proposer's commitments, assertions, and statements of intention made in the U.S. Employment Plan or elsewhere in the Proposal, the BAFO, or the Contract, relating to the creation of programs, provision of Workforce Training, establishment or improvement of Domestic Facilities, expenditures, wages, number of Hires, the hiring of New Disadvantaged Hires, other aspects of the Proposer's U.S. Employment Plan, and any other information provided by Proposer and taken into account in calculation of the Price Adjustment.

U.S. EMPLOYMENT PLAN WORKBOOK means the set of forms attached to this RFP and designated as such, to be used for certain calculations related to a Proposer's the U.S. Employment Plan.

VEHICLES means the Rolling Stock equipment that the Agency wishes to purchase through this RFP.⁴

WORKFORCE TRAINING means all activities related to the provision of skills, knowledge and capacity to Hires working on the Contract. Allowable expenditures for Workforce Training may include funds spent on teachers, trainers or special equipment to help Hires build the skills

³ In the future, other model components of this RFP will be developed. For now, Agencies will develop their own Technical Proposal.

⁴ This is the place to put a specific definition of the type of Rolling Stock that the Agency wishes to purchase with this RFP, for example "100 CNG buses".

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necessary to successfully work on the Contract. These allowable expenditures may also include wages and benefits spent on experienced Contractor employees not working on the Contract, if those experienced employees are designated by Contractor to provide on-the-job training to Hires. In addition, allowable expenditures may include funding paid by Contractor to outside workforce development groups or programs so long as the skills acquired in those programs are related to the Manufacture or Final Assembly of the Vehicles.

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(AGENCY NAME)

INVITATION FOR PROPOSALS

FOR THE PROCUREMENT

OF TRANSIT VEHICLES

BACKGROUND

Since (date), Agency has operated a robust and growing transit system in (location) and has purchased Rolling Stock through a competitive procurement process designed to acquire the highest quality buses and rail cars, produced in a timely manner and for a reasonable price. Increasingly, Agency has purchased Rolling Stock made and/or assembled – at least in part – in the United States, primarily through active enforcement of the DOT's Buy America requirements.

However, because of increasing unemployment and poverty in the United States, the Agency has incorporated new elements into its competitive procurement process that will incentivize the creation of high-quality employment opportunities for U.S. residents, including veterans, and the long-term unemployed. This procurement for (number and type of vehicles) includes a requirement that respondents to this RFP create a U.S. Employment Plan as part of any Proposal. This U.S. Employment Plan must set forth the number and quality of U.S. jobs proposed to be created if a contract is awarded as well as a proposed Comprehensive Workforce Development Program that emphasizes the creation of permanent employment opportunities and permanent, transferable workforce skills. As part of the creation of this U.S. Employment Plan, Proposers will be allowed to deduct the value of labor, Workforce Training and limited facilities investment in Manufacture of the Vehicles from the initial Unadjusted Price. The adjusted price will be the basis for the Evaluation Price as part of the competition for award of the Contract.

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While this new approach to the procurement of Vehicles provides added incentive for the creation of U.S.-based jobs related to the production of these (type of Vehicle), Agency will continue to conduct a competitive bidding process that will seek to purchase the highest quality Vehicles for the lowest Evaluation Price. This means that Technical Specifications and low cost will continue to be important criteria in the consideration of Proposals. The Proposal that provides the Best Value to the Agency in purchase of the Vehicles will prevail.

INVITATION

Notice is hereby given that Proposals will be received until the hour of (time and date) at (location), for the procurement of Vehicles, RFP (number and Proposal title). This procurement will be based on a Best Value competitive negotiation procedure.

Performance of this Contract in general consists of providing the design, engineering, mockups, manufacture, assembly, testing, delivery, materials, tools, equipment, performance and acceptance testing for (number and type of Vehicles) ready for service as an integral part of Agency's transportation system, and associated Program management, in-service support, publications, warranty, training and data submittal, all as more fully described in the Contract Documents. Additionally, (if options) there are (number and type of options.)

This Contract is subject to a financial assistance contract between the Agency and the DOT. This Contract is partially funded under a grant from the (DOT agency name). Attention is directed to the Proposal Forms and Certification where all Proposers and certain proposed Subcontractors and Suppliers will be required to certify that they and any such proposed Subcontractors and Suppliers have not been debarred, suspended or declared ineligible to participate in federal contracting activity. Suppliers will be required to comply with all applicable Equal Employment Opportunity Laws and Regulations.

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INSTRUCTIONS TO PROPOSERS

P-01 PREPARATION OF PROPOSAL

A. Proposals submitted in response to this RFP must be formatted in accordance with the requirements specified herein. Proposals must include the forms provided with this RFP. Proposers shall complete the forms in accordance with the directions specified in these instructions and the forms. All required explanatory narratives and the supplementary data are to be included with the Proposal forms as indicated.

B. Failure to comply with the requirements outlined in this RFP may render the Proposal(s) Non-Responsive and may cause rejection of the Proposal. This RFP does not commit Agency to enter into a Contract nor does it obligate Agency to pay for any costs incurred in the preparation and submission of Proposals.

P-02 EVALUATION OF PROPOSALS

A. Upon timely receipt of a Proposal, Agency will determine if the Proposal is Responsive and if the Proposer is Responsible, as follows:

1. Initial responsiveness determination: In order for a Proposal to be deemed Responsive, a Proposer must provide responses to all defined elements in the Submittal Requirements section of this RFP. Failure to respond to and complete all Submittal Requirements, including the U.S. Employment Plan Application Form, the U.S. Employment Plan Workbook, and the provision of all supporting documentation, will result in a Proposal being deemed Non-Responsive and thus disqualified from further consideration. However, if a Proposal is initially deemed to be "Non-Responsive," the Proposer may be given one additional opportunity to remedy deficiencies in the initial submission. Agency also reserves the right to communicate with any Proposer for the sole purpose of eliminating minor irregularities, informalities or apparent clerical mistakes in a Proposal. Major items and/or gross omissions that cannot be corrected without major or complete resubmission of Proposal will be cause for a Proposal to be found Non-Responsive.

2. Initial responsibility determination: After a Proposal is deemed Responsive, Agency will make a determination as to whether the Proposer is Responsible. The evaluation of responsibility includes, but is not limited to: consideration of a Proposer's trustworthiness, the quality of past performance, financial ability, and fitness and capacity to do the proposed Project in a satisfactory manner. The evaluation also includes an assessment of whether the Proposer has the necessary facilities and financial resources, the requisite integrity, skill and experience to faithfully perform and complete the Project in accordance with the Contract

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Documents and finally that it is otherwise qualified and eligible to receive an award under applicable laws and regulations. A Proposer may be required to present further evidence that it has successfully performed Projects of comparable magnitude or provide other proof satisfactory to Agency that it is competent to successfully fulfill terms of the Contract. Those Proposers found to be Non-Responsible will be eliminated from further consideration.

B. The overall evaluation process will be performed by Agency's Selection Committee.

C. In order to be eligible for award of a Contract, notwithstanding its relative qualifications for purposes of the Evaluation Criteria and in other respects, a Proposer must demonstrate to the satisfaction of Agency that its other commitments and contractual obligations will not impair or adversely impact its performance of this Contract.

D. The Committee will evaluate and score the Proposals deemed Responsive and the Proposers deemed Responsible and determine which Proposals are in the Competitive Range. The Proposer is urged to include the most favorable pricing terms possible since less than best pricing could result in a determination that the Proposal is not in the Competitive Range and thus excluded from further consideration. In order to be deemed to be in the Competitive Range, a Proposal must propose performance of the Contract under standards that meet or exceeds minimum Technical Specifications and other requirements of this RFP, and must have an Evaluation Price within reasonable range of the Independent Cost Estimate. For those Proposers determined to be in the Competitive Range, the Committee may conduct discussions to identify Proposal deficiencies and to ensure that the Proposer fully understands all requirements of the RFP and has proposed equipment or material that conforms thereto.

E. Contract award will be made utilizing a Best Value decision making process. Best Value will be determined by reviewing the final overall score of the Proposer that submitted the lowest Evaluation Price and determining – based on the concept of better value to the Agency, if it is more advantageous to the Agency to accept a higher Evaluation Price based on added value (greater capability of the Proposer to perform, greater experience of the Proposer or other measurable advantages) offered by the next higher Evaluation Price. An assessment of the cost versus benefits will determine what incremental cost above that of the lowest Evaluation Price (if any) is justified from a business standpoint.⁵ Under this decision-making process, the Contract may not be awarded to the Proposer with the lowest Price Proposal or the most highly scored Technical Proposal, but rather to the Proposer with the Proposal that presents the best overall value to the Agency.

⁵ (cite to state law permitting Best Value procurements)

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F. The Committee will determine what changes, if any, should be made to the Technical Specifications and RFP in order to obtain lower prices or greater utilization of reliable, service-proven equipment or software. If changes to the requirements are determined to be beneficial, an Amendment to the RFP will be issued.

G. Agency may award a Contract on the basis of initial Proposals received, without discussions. Therefore, each Proposal should contain the Proposers best terms.

H. After the Evaluations of the Price Proposal and the Technical Proposal, Proposers may be given the opportunity to modify them by submitting a BAFO. The BAFO shall fully comply with the RFP, including all Amendments. Agency will make every effort to only request one BAFO from Proposers in the Competitive Range for this Project. Final determination of acceptability of any Proposal will be made by the Committee based on the information contained therein.

I. Following the Evaluation Period, the Notice of Intent to Award will be sent to all Proposers and posted on the Agency's website.

P – 03 PROPOSAL EVALUATION CRITERIA

All Proposals will be evaluated based on the Evaluation Criteria described below. In order to be properly evaluated, Proposers must respond to all defined elements in the Submittal Requirements section of this RFP. The Evaluation Criteria consist of the following main factors in descending order of importance: 1. Evaluation Price, 2. Technical Proposal. Criteria #1 is considered most important.

Proposal Evaluation Criteria

Criteria
1. Evaluation Price
2. Technical Proposal
[Requirements for the Technical Proposal will generally include a Technical Specifications section as well as a Past Performance and Experience section. In the future, other model components of this RFP will be developed. For now, Agencies will develop their own Technical Proposal, other than the Evaluation Price.]

1. Evaluation Price:

The most important Proposal Evaluation Criteria will be the Evaluation Price. The Evaluation Price will be developed by Proposer based on the Price Adjustment described in this RFP. The Evaluation Price will be comprised of the Unadjusted Price **minus** the monetized value of the

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labor, Workforce Training and limited facilities investment in Manufacture of the Vehicles as fully set forth in the attached U.S. Employment Plan Workbook. In effect, this will constitute the monetized value of Proposer's U.S. Employment Plan. The Committee will then score and evaluate this Evaluation Price proposal along with the Technical Proposal.

U.S. Employment Plan

Each Proposer must submit a U.S. Employment Plan with its Proposal. This U.S. Employment Plan must set forth the number and quality of U.S. jobs proposed to be created if a Contract is awarded as well as a proposed Comprehensive Workforce Development Program for New and Retained Hires that emphasizes the creation of permanent employment opportunities and permanent, transferable workforce skills. As part of the creation of this U.S. Employment Plan, Proposers will be allowed to deduct the value of labor, Workforce Training and limited facilities investment in Domestic Production of the Vehicles from the Unadjusted Price. The adjusted price will constitute the Evaluation Price Proposal and will be the basis for the competition for award of the Contract.

Proposers, and any of their Subcontractors/Suppliers must certify that they are able to segregate direct hours and costs within their internal Cost Accounting Systems to allow for Agency to verify and validate allocable jobs created and hours expended on direct work under Contract with Agency. A certification is attached herein and is required with the Proposer's subsequent U.S. Employment Plan submittal.

The Price Adjustment

(1) Adjusted total value of Project employment [(Line 1a +Line 1b) x Line 1c]

- (a) Contractor total (U.S. Employment Plan Workbook, U.S. Jobs Form, Base Only or Base plus Options)
- (b) Subcontractor total (U.S. Employment Plan Workbook, U.S. Jobs Form, Base Only or Base plus Options)
- (c) Standard U.S. Economic multiplier for induced effects in Transit Vehicle manufacturing.

(2) Disadvantaged Worker Credit (U.S. Employment Plan Workbook, Disadvantaged Worker Form)

(3) Allowable value of new construction and/or repair of existing Domestic Facility to Manufacture the Vehicles (U.S. Employment Plan Workbook, Facility Investment Form).

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(4) Price Adjustment (Line 4a + Line 4b + Line 4c)

- (a) Adjusted total value of Project employment (Line 1)
- (b) Disadvantaged Worker Credit (Line 2)
- (c) Total value of allowable Manufacturing facility investment (Line 3)

(5) Evaluation price (Unadjusted Price - Price Adjustment)

- (a) Unadjusted Price (Pricing Forms Workbook, Contract Price Summary Form)
- (b) Price Adjustment Value (Line 4)

The Price Adjustment⁶

The adjusted total value of Project employment consists of the total value of Vehicle production – employment generated by both the Contractor and the Subcontractors/suppliers. An Economic Multiplier of 1.62 is then applied to this adjusted total employment value, to capture the induced effects on total economic activity (output) resulting from the increased employment income generated by the prime Contractor and Subcontractors/Suppliers. This 1.62 economic multiplier is for both the railroad and bus Rolling Stock manufacturing industry, derived from the IMPLAN 3.0 software using the IMPLAN 2010 dataset, constructed by the Minnesota IMPLAN Group Inc.⁷

Special Disadvantaged Worker Credit

Contractor employment spending on the retention and/or hiring of New Disadvantaged Workers, if any, can also be adjusted upwards to include a credit for up to 10 percent of the workforce that is comprised of New Disadvantaged Workers. The adjustment for New Disadvantaged Workers is equal to 20 percent the value of Project employment apportioned to

⁶ Methodology developed by Professor Jeannette Wicks-Lim, labor economist at the University of Massachusetts, Amherst; Professor Manuel Pastor, economist at the University of Southern California; and Mirabai Auer, Data Analyst at the University of Southern California. For more information on Jeannette Wicks-Lim see: http://www.peri.umass.edu/fileadmin/pdf/cvs/WicksLim_Oct10.pdf. For more information on Manuel Pastor see: http://dornsife.usc.edu/pere/documents/Pastor_CV-full.pdf. For more information on Mirabai Auer see: <http://dornsife.usc.edu/pere/home/auer.cfm>.

⁷ IMPLAN 3.0 is the Minnesota IMPLAN Group. Inc.'s new economic impact assessment software system. See: http://implan.com/v4/index.php?option=com_content&view=article&id=282:what-is-implan&catid=152:implan-appliance-&Itemid=2 for more information about the software, <http://reic.uwcc.wisc.edu/implan/> for more about the IMPLAN methodology, and http://implan.com/v4/index.php?option=com_content&view=article&id=64&Itemid=25 for a list of clientele (including the U.S. Department of Transportation).

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New Disadvantaged Workers. This bonus credit reflects the additional costs the Proposer may incur recruiting and training New Disadvantaged Workers over and above the training and recruiting costs for the average manufacturing worker.

Proposers may select the total percentage of all Hires that they intend to employ from the Disadvantaged Worker categories (described in the Definitions section and below), **up to a maximum of 10% of total Hires**. Because the Disadvantaged Worker Credit is entirely voluntary, the value of the credit depends on the percentage of the workforce that the Proposer commits to hire from the Disadvantaged Worker categories. If a Contract is awarded, Proposer will be expected to satisfy the commitment made to hire Disadvantaged Workers from the targeted categories. Proposer has full discretion to hire Disadvantaged Workers from any or all of the categories herein. The definition of Disadvantaged Workers is:

DISADVANTAGED WORKER means either:

1. An individual who faces at least one of the following barriers to employment:
 - a. Being a Disabled Worker,
 - b. Being a current recipient of Supplemental Nutrition Assistance Program (SNAP) benefits or Temporary Assistance for Needy Families (TANF) benefits because of extreme poverty,
 - c. Having a past record with the US criminal justice system that includes a felony conviction;
 - d. Being a Disabled Veteran; or
2. An individual who (a) prior to commencing work on the Project, has a household income of less than 50 percent of the Area Median Income (AMI) as defined by the U.S. Department of Housing and Urban Development. See: <http://www.huduser.org/portal/datasets/il.html> and, (b) who resides in an Area of Concentrated Poverty. (To determine an employee's eligibility for this status, enter the employee's home address or census tract within HUD's QCT mapping application: <http://www.huduser.org/QCT2013/qctmap.html>.)

However, no more than 50% of the total number of Disadvantaged Workers may come from any one of the five categories.

Training costs for manufacturing workers have been estimated by the Department of Labor's Survey of Employer Provided Training-Employee Program. The Labor Department estimates the annual cost of training for the average manufacturing worker is equal to approximately 5

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percent of total compensation costs (including wages, salaries, and benefits).⁸ Recruiting costs for the average manufacturing position is about 3 percent annually, based on cost-per-hire estimates by human resource firms and a 30 percent annual average turnover rate in the industry from 2002 to 2011.⁹ In sum, recruiting and training costs for the average manufacturing worker is approximately 8 percent of the total annual compensation. This is approximately equal to \$5,500 per FTE worker per year given 2011 annual total compensation cost of \$68,600 estimated by the Labor Department's National Compensation Survey (see footnote 8).

⁸ According to the Labor Department's published Survey of Employer-Provided Training data, in 1994 employers in the durable goods manufacturing industry spent, at minimum, an average of \$10 billion on informal and formal training over six months, or about \$20 billion over a full year. This figure combines the sum of selected direct expenditures on training (approximately \$4 billion, see Table 9, "Selected expenditures by industry in 1994," from the December 1996 Bureau of Labor Statistics Economic New Release, "1995 Survey of Employer-Provided Training-Employer Results") as well as the indirect costs to employers represented by the wages and salaries they pay to workers while workers receive training (approximately \$16 billion, see Table 12, "Total wage and salary costs of training by industry and size class, May-October 1995," from the December 1996 Bureau of Labor Statistics Economic New Release, "BLS Reports on the Amount of Formal and Informal Training Received by Employees"). The selected direct employer training expenditures include the wages and salaries to in-house trainers, tuition reimbursements, payments to outside trainers and contributions to outside training funds. According to the Economic Census in 1997, the total payroll of the durable goods manufacturing was about \$373 billion. Therefore, training costs for the average manufacturing employers, amounted to, at minimum, 5 percent of total compensation (\$20 billion/\$373 billion=5.4 percent; 1 percent for direct costs and 4 percent for indirect costs).

⁹ Two 2011 estimates of recruiting costs for industries with high Recruitment costs, such as manufacturing, range between \$4,000 and \$6,400 per hire. The \$4,000 figure is based on a survey conducted by the Society for Human Resource Management (SHRM), a human resource management association as reported in, "The Average Recruitment Cost," by Beth Greenwood, Houston Chronicle on-line, accessed October 19, 2012 at <http://work.chron.com/average-recruitment-cost-3664.html>. The \$6,400 figure from Bersin and Associates, a human resource consulting firm, is reported in, "For Smaller Firms, Recruiting Costs Add Up," by Lauren Weber, accessed October 19, 2012 at <http://online.wsj.com/article/SB10001424052970203764804577056603280231204.html>. The annual cost to employers based on these figures can be estimated by using the average annual turnover rate of 30 percent for manufacturing workers as estimated by the Labor Department's Job Openings and Labor Turnover Program over 2002-2011 (see: <http://www.bls.gov/jlt/>). Given this turnover rate, the recruitment expense would effectively represent an annual cost of about \$1,920 annually per position [$\$6,400 / (1/0.30) = \$1,920$]. According the to the Labor Department's National Compensation Survey, manufacturer's employer cost of total compensation average \$33.00 per hour in 2011 (see: <http://www.bls.gov/ncs/ect/home.htm>) or \$68,600 for a full-time year-round worker ($\$33/\text{hour} \times 40 \text{ hrs./wk} \times 52 \text{ wks./year}$). Average recruiting costs therefore represents about 3 percent of the average annual compensation per FTE worker ($\$1,920 / \$68,600 = 3 \text{ percent}$).

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New Disadvantaged Workers can be expected to require costlier recruiting and more than average training, including in basic skills, other training to reach entry-level requirements, as well as, on-the-job training. It is reasonable to assume that these costs would be approximately three times costlier to employers when employing Disadvantaged Workers—equivalent to an additional 16 percent of total compensation.¹⁰ There are also additional community-wide benefits not accounted for in any of these figures, including for example, a reduction in such subsidy expenditures as Food Stamps (or Supplemental Nutrition Assistance Program). Therefore, Proposers' value of employment for the share of FTE hours apportioned to Disadvantaged Workers will be given a bonus credit equivalent to 20 percent.

Special Facilities Credit for Domestic Manufacturing

Proposers may also receive a special additional credit for investment in Domestic Facilities related to the Manufacturer of Vehicles. Manufacturing Work eligible for the facilities investment credit is primarily related to all costs of the Manufacture of component parts of Vehicles not related to Final Assembly of the Vehicles. Eligible investments include an allowable percentage of both new construction and repair of existing facilities in industrial rail and bus manufacturing activities related to the Manufacture of the Vehicles.

Over the past three decades, U.S. transportation manufacturing experienced a distinct split between production and employment growth. Between 1980 and 2010, manufacturers'

¹⁰ Past empirical research is used to approximate how much larger recruiting and training Programs will be for disadvantaged workers. A rigorous 2010 study of three different Programs that effectively trained and placed disadvantaged workers in specific sectors such as manufacturing, healthcare, construction and information technology estimated direct training and placement costs at approximately \$6,000 per participant (*Tuning in to Local Labor Markets: Findings from the Sectoral Employment Impact Study* by Sheila Maguire, Joshua Freely, Carol Clymer, Maureen Conway, and Deena Schwartz, Philadelphia: Public/Private Ventures, 2010). The 2011 average wage for a production worker in transportation equipment manufacturing (\$25.36 according to the Labor Department's Current Employment Statistics Program) however is about double the average wage of the jobs that these participants obtained through the Programs (\$12.50 per hour). If these differences in pay rates approximate the relative costs of training required for these different sets of jobs, it is reasonable to assume that the \$6,000 in direct training and placement costs for Disadvantaged Workers in transportation equipment manufacturing would be a very low-end estimate. This in turn implies a total cost of training and recruiting, now including both direct and indirect costs of, at minimum, \$12,000 (this is because, as the figures in footnotes 3 and 4 indicate, the costs of direct training and recruiting combined are about equal to indirect training costs). In other words, the past experience of training and placement Programs for disadvantaged workers suggests that the training and recruiting costs for such workers in manufacturing jobs in transportation equipment would be, at minimum, \$12,000. This is between two and three times the average \$5,500 cost for the average manufacturing worker. Overall then, a reasonable estimate of the additional training and recruiting costs for Disadvantaged Workers amounts to about three times that of the average worker, representing at least an additional cost to employers equal to 16 percent of annual employment costs.

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inflation-adjusted output jumped over 50 percent.¹¹ However, over the same period employment in transportation equipment manufacturing dropped by nearly 38 percent, subtracting over 800,000 jobs from the US economy.¹² Even with recent signs of a broader manufacturing return, these performance statistics cannot be undone with a year or two of positive gains.

Losing these kinds of manufacturing jobs come at a real cost to the U.S. worker. The typical manufacturing employee in Rolling Stock earned an annual income of over \$67,000 in 2010—far exceeding the average American income of \$49,000.¹³ Just as importantly, the listed manufacturing earnings don't include many of the benefits typical for such jobs, from health care coverage to retirement contributions. When the country loses over 800,000 of these high-quality jobs, American workers are left with fewer opportunities for good jobs.

To address this gap, this RFP aims to leverage investments in Rolling Stock to generate more American jobs in Rolling Stock Manufacturing. One way to meet this goal is to expand the number of Domestic Manufacturing Facilities, specifically by addressing gaps in the Rolling Stock supply chain.

According to detailed Duke University research, the current Rolling Stock supply chain includes two distinct problem areas.¹⁴ The first is a gap in high-value manufacturing activities. This includes everything from human-driven tasks like engineering and design to complex production steps like propulsion systems and electronic systems, all of which tend to be performed outside the U.S. The second problem area is the lack of domestic demand relative to other countries. Because transit agencies in countries like Japan and France demand more vehicles, large manufacturers prefer to locate activities closer to those markets.

To address these problem areas, this RFP offers manufacturers the opportunity to gain credit for their investments in the supply chain's missing links. Calculating the credit is a relatively straightforward process. First, the Proposer reports the value of all facility investments that do not involve Final Assembly. Second, to ensure the Agency does not bear the full costs for those investments, the Domestic Facility investment's value is reduced to 20 percent of the total

¹¹ Source: Brookings analysis of Moody's Economy.com data

¹² *ibid*

¹³ *ibid*

¹⁴ For more information on the information discussed in this paragraph, see: Marcy Lowe and Others, "U.S. Manufacture of Rail Vehicles for Intercity Passenger Rail and Urban Transit (Durham: Duke University Center on Globalization, Governance & Competitiveness, June 2010).

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value, which is equal to a five-year, straight-line depreciation schedule. This leaves the resulting formula:

$$\text{Facility Credit} = (\text{Value of Non-Assembly Facility Investment}) * 0.20$$

In addition to lowering the Domestic Facility's credited value, the depreciation multiplier includes a distinct benefit for the Proposer. Each Proposer will be permitted to claim credit for a particular Domestic Facility investment over five years, meaning a Proposer can receive credit for prior Domestic Facility construction in future transit procurement applications. This 5-year applicability provides further incentive to invest in the US marketplace, and ensures the credit process doesn't overly promote the construction of new facilities at the expense of older ones. The goal is to fill gaps in the supply chain—not create a glut of facilities.

2. Requirements for Technical Proposal

(To be developed by Agency)

P-4 DISADVANTAGED BUSINESS ENTERPRISE GOAL REQUIREMENTS

All Proposers must have an approved or not disapproved DBE program on file as a Transit Vehicle Manufacturer with DOT, FTA or FRA. Potential Proposers that do not have such a program on file should enquire directly with the FTA or FRA prior to submitting its Proposal that it has a letter or document showing that it is approved or not disapproved by FTA or FRA.

Prior to award of any resulting Contract, Proposers will be required to furnish their certifications of compliance with the provisions of 49 CFR Section 23.67 -TVM Certification of compliance with DBE Regulations.

P-5 IDENTIFICATION OF SUBCONTRACTORS

The Proposer may identify a maximum of three (3) possible Subcontractors per subsystem. Agency will notify the Proposer, prior to Request for BAFO, of any Subcontractors who are not compliant with the Contract Documents. After the submittal of BAFO, Proposer may not substitute any other subsystem Subcontractor than those submitted in the BAFO, and as accepted by Agency.

P-6 PRE-AWARD AUDIT

Agency or its representatives, upon reasonable advance written notice, shall have the right to examine any books, records, accounts and other documents of any Proposer to determine the reasonableness, allowability, and allocability of the Proposal.

P-7 AGENCY RIGHTS

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Agency may investigate the qualifications of any Proposer under consideration. Agency may require confirmation of information furnished by a Proposer, and require additional evidence of qualifications to satisfy terms of the Contract. Agency reserves the right to:

1. Reject any or all of the Proposals, at its discretion;
2. Remedy errors in the RFP;
3. Cancel the entire RFP;
4. Issue subsequent RFP;
5. Appoint evaluation Committees to review Proposals;
6. Seek the assistance of outside technical experts to review Proposals;
7. Approve or disapprove the use of particular Subcontractors and suppliers;
8. Establish a short list of Proposers eligible for discussions after review of written Proposals;
9. Solicit BAFO's from all or some of the Proposers;
10. Negotiate with any, all or none of the Proposers;
11. Award a Contract to one or more Proposers, or not award to any of the Proposers;
12. Accept other than the lowest priced Proposal;
13. Disqualify the Proposal(s) upon evidence of collusion with intent to defraud or other illegal practices on the part of the Proposer(s);
14. Waive any informalities or irregularities in any Proposal, to the extent permitted by law; and
15. Award a Contract without interviews, discussions or negotiations.

This RFP does not commit Agency to enter into a Contract, nor does it obligate Agency to pay for any costs incurred in preparation and submission of Proposals or in anticipation of a Contract. In the event Agency chooses to negotiate with more than one Proposer, it may, following the conclusion of all negotiations, issue a revised RFP or portion thereof containing, among other things, any Amendment, matter, offer, condition of enhancement elicited from or proposed or suggested by any Proposer during the course of such negotiations, and solicit BAFO's from such Proposers, or solicit BAFO's utilizing another appropriate procedure. After receipt of BAFO's, AGENCY reserves the right to reopen negotiations with any or all Proposers; however, Proposers shall not have any rights against AGENCY arising at any stage of the solicitation from any negotiations that take place, or from the fact that Agency does not select a Proposer for negotiations.

P-8 PUBLIC RECORDS

Responses to this RFP shall be subject to the applicable provisions of federal and state laws governing the disclosure of public records.

P-9 FILING OF PROTESTS

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All Protests shall be filed and resolved in a manner consistent with AGENCY's protest instructions.

END OF INSTRUCTIONS TO PROPOSERS

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SUBMITTAL REQUIREMENTS

PR-1.0 GENERAL

Proposals will only be received and evaluated from Proposers.

The Proposer must respond to all topics described below, maintaining the numbers, and repeating the direction with the response. The Proposer shall address each of the topics individually and completely, whether or not the same or similar descriptions are provided elsewhere in the Proposal. The Proposer should avoid, to the maximum extent practicable, making references to other Proposal sections from within one Proposal section. The intent of this arrangement is to allow Agency to readily partition the Proposal documents for review by the Committee. In responding to each topic, the Proposer must identify specific elements planned for the Project and the Proposer's experience with the elements proposed. The Proposal shall specify the names of candidate Subcontractors and suppliers. The Proposal shall clearly describe the role of the Proposer and detail the interfaces with all potential Subcontractors and suppliers.

The Proposal shall be clear and concise and explain how the Proposer intends to meet the requirements of this RFP. Legibility, clarity, and completeness of the technical approach are essential. Statements merely indicating that the Proposer shall meet specific requirements are not sufficient. Unless specifically noted to the contrary as an exception, Agency assumes that the Proposal will be fully compliant and will meet all requirements and conditions. The Proposal shall consist of a **Price Proposal**, and **Technical Proposal** including all Proposal forms (U.S. Employment Plan Application Form, Workbook and Certification), as well as an electronic version of the entire Proposal in PDF format.

The Proposal shall consist of text, plus the forms, charts, drawings, tables, or illustrations as allowed by the Submittal Requirements contained herein. Typing shall be single spaced on 8½ x 11-inch format. No charts, drawings, tables, or illustrations shall be greater than 11-inch by 17-inch format unless specifically requested. Digital versions of graphics are to be submitted in JPEG format. Proposals shall be written in the English language. Dimensions shall be in the English standard of weights and measures. Metric equivalents may be provided in parenthesis.

Copies of the Price Proposal must be submitted in the format required by this RFP, and U.S. Employment Plan Workbook must also be submitted in the form of Microsoft Office Excel format. Agency will provide Proposers a CD-ROM with the required format upon request to Tap Agency.

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The Proposal shall consist of a Proposal Letter, Price Proposal (Volume 1), Technical Proposal (Volume 2) Required Certifications (Volume 3) including completion of all applicable forms and worksheets, and DBE information (Volume 4). The Proposal Letter (See Proposal Forms section), must be completed and executed by an authorized representative of the Proposer. Other than those letters required by the U.S. Employment Plan Application Form, no other letter may be included in addition to the Proposal Letter.

PR-3.0 PRICE PROPOSAL (VOLUME 1)

The Price Proposal shall consist of completed Pricing Summary and Schedules provided:

PR-3.1: Pricing Forms

- (1) Contract Price Summary for price of [VEHICLE] spare parts, special tools, diagnostic test equipment, manuals, training, Agency travel costs, Field Engineer, and insurance (attached Pricing Forms Workbook).
- (2) Schedule A: Detailed schedule for [Vehicle Price Breakdown] (attached Pricing Forms Workbook, to be tailored to fit needs of Agency).
- (3) Schedule B: Detailed schedule for spare parts and consumables (attached Pricing Forms Workbook, to be tailored to fit needs of Agency).
- (4) Schedule C: Detailed schedule for special tools (attached Pricing Forms Workbook, to be tailored to fit needs of Agency).
- (5) Schedule D: Detailed schedule for diagnostic test equipment (attached Pricing Forms Workbook to be tailored to fit needs of Agency).
- (6) Schedule E: Detailed schedule for Agency travel costs (attached Pricing Forms Workbook, to be tailored to fit needs of Agency).
- (7) Schedule F: U.S. Employment Plan Application Form (attached).
- (8) Schedule G: Final Price Adjustment and Evaluation Price Proposal (attached U.S. Employment Plan Workbook).

In addition, Proposers may be required to submit such certified cost or pricing data as Agency may determine necessary to permit full evaluation of the cost of the Vehicles required under this RFP. Agency, or its representatives, reserves the right to examine and audit all records and data of the Proposer relating to negotiating and pricing the Proposal in order to evaluate whether the data is accurate, complete and current.

PR-3.2 U.S. Employment Plan

3.2.1. PLAN CONTENTS

3.2.1.1 The Proposers' U.S. Employment Plan must be accompanied by a certification, executed by a corporate officer of the Proposer and of Subcontractors/Suppliers (as applicable), that

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certifies the firm has a Cost Accounting System that can segregate employee labor by Project, and that the information provided in the U.S. Employment Plan is true and correct.

3.2.1.2 Proposer shall include responses to all of the following, as set forth in the attached U.S. Employment Plan Application Form:

- (1) **Outreach and Recruitment Plans for New Hires:** Describe plans for the Recruitment and hiring of New Hires and Disadvantaged Workers for new positions, including coordination with at least one nonprofit and/or governmental organization to assist in the Recruitment of New Hires. A minimum of one letter attesting to such a partnership is required.
- (2) **Workforce Training Plans:** Describe training designed to create permanent, transferable skills for all Hires on the Project by job category. Include in this description any plans to take advantage of publicly funded workforce development Programs or union apprenticeship Programs for the relevant job categories. List applicable transferrable credentialing opportunities that will be provided to all Hires on the Project and plans for coordinating with workforce development, apprenticeship and training Programs to deliver that training, if any. Provide at least one letter from a non-profit or governmental institution involved in providing Workforce Training to Disadvantaged Workers, attesting to partnerships with Proposer around training and workforce development (institution may be located anywhere in the United States). This letter shall describe a partnership with Proposer to provide training to Hires on the Project if Proposer is awarded the Contract. If the same nonprofit or governmental institution will be involved in assisting with both Recruitment of New Hires and training, one letter describing both Programs will suffice to meet this requirement.

Using the provided U.S. Employment Plan Workbook, specify the estimated dollar commitment that Proposer and Suppliers will make for Workforce Training for Disadvantaged Workers, unskilled people, and the advancement of more experienced New Hires and/or Incumbent Workers. Any planned or projected financial contribution made by Proposer to this nonprofit or governmental institution in furtherance of Workforce Training for New Hires and Incumbent Workers for work on the Project may be counted in the appropriate boxes on the US Employment Plan Labor Value Form and applied to the Price Adjustment.

- (3) **Description of Jobs Created and/or Retained:** Describe the quality and range of U.S. employment opportunities for both skilled and unskilled workers proposed to be created under the U.S. Employment Plan, minimum requirements for the positions, and include the extent to which the plan is likely to produce long-term employment in skilled or trade labor for Disadvantaged Workers. This should include a description of the opportunities for ongoing promotion, if any, for New Hires and Incumbent Workers in entry level and/or semiskilled positions.
- (4) **Compensation and Benefits:** Describe base compensation provided to all Hires. Also describe eligibility requirements for and employer contributions to be made to

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employee benefits for Hires, partners and dependents; including out-of-pocket costs for medical and dental coverage, retirement benefits, paid vacation and paid sick leave. A reporting of the dollar value of benefits, base pay and salary, and overtime shall also be included in the attached U.S. Employment Plan Workbook.

- (5) **U.S. Jobs Forms:** Using the provided U.S. Employment Plan Workbook specify the number of New Hire and Incumbent Worker job hours proposed to be created in the U.S., job category/occupation, duration,, location and the direct dollar value to the Contract. For purposes of the Price Adjustment, only work performed specifically under the Contract for this Project shall be used to measure Hires. Each Proposer shall define the direct hours on this Project to be expended and Hires using the attached U.S. Jobs Base Only and U.S. Jobs Base plus Options forms. If the Proposer wishes to count Subcontractor Hires in the Price Adjustment, Subcontractors shall file separate U.S. Jobs forms. If the Proposer wishes to take advantage of the Price Adjustment, the Workbook must be accompanied by certification, executed by a corporate officer of the Proposer and of Subcontractors/Suppliers (as applicable), that certifies the firm has a Cost Accounting System (CAS) that can segregate employee labor by Project, and that the information provided in the U.S. Employment Plan is true and correct.
- (6) **Commitment to U.S. Production Site:** Provide a signed Letter of Intent, Lease or Purchase Agreement for an identified site—for the location of the Final Assembly and/or Manufacture of the Vehicles. In accordance with federal law, the site may be located anywhere in the United States. Evidence of a commitment to a specific location for Final Assembly of the Vehicles in the U.S. is sufficient to satisfy this requirement.
- (7) **Facility Investment Credit:** Describe plans – if any – to build a new Domestic Facility or invest in significant repairs and renovations to an existing Domestic Facility in order to Manufacture the Vehicles. Include in this description a detailed explanation of the specific component parts or design and engineering work that will be done in this Domestic Facility and specify the exact proposed location of this Domestic Facility. Also describe the extent to which Final Assembly will also be conducted at the same Facility. In order to earn the allowable credit towards the Price Adjustment for a new production facility, dollars towards repairs and renovations to an existing facility and/or new capital expenditures, complete the attached U.S. Employment Plan Workbook.

Calculating the credit is a straightforward process. First, the Proposer reports the value of all Domestic Facility investments that do not involve Final Assembly. Second, to ensure the Agency does not bear the full costs for those investments, the Domestic Facility investment's value is reduced to 20 percent of the total value, which is equal to a five-year, straight-line depreciation schedule. This leaves the resulting formula:

$$\text{Facility Credit} = (\text{Value of Non-Assembly Facility Investment}) * 0.20$$

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In addition to lowering the Domestic Facility's credited value, the depreciation multiplier includes a distinct benefit for the Proposer. Each Proposer will be permitted to claim credit for a particular Domestic Facility investment over five years, meaning a Proposer can receive credit for prior Domestic Facility construction in future transit procurement applications. This 5-year applicability provides further incentive to invest in the US marketplace, and ensures the credit process doesn't overly promote the construction of new facilities at the expense of older ones. The goal is to fill gaps in the supply chain—not create a glut of facilities.

3.2.2 MONITORING AND ENFORCEMENT

3.2.2.1 Incorporation of US Employment Plan Commitments Into Contract. If a Proposer is awarded a Contract, then the Proposer's U.S. Employment Plan, including the responses to the U.S. Employment Plan Application Form, the U.S. Employment Plan Workbook, and other forms and attachments, shall be incorporated in their entirety into the Contract and shall become U.S. Employment Plan Commitments. A Proposer's U.S. Employment Plan Commitments shall become terms of the Contract, enforceable by Agency on a similar basis as other Contract terms, which are described herein.

3.2.2.2 Reporting Requirements. The Contract will require Contractor to submit regular reports regarding compliance with U.S. Employment Plan Commitments by Contractor and any Subcontractors on forms to be provided by Agency and on a schedule to be provided by Agency and included in the Contract. Agency shall have the right to access additional information necessary to determine Contractor and Subcontractor compliance with U.S. Employment Plan Commitments, including inspection of records and site visits where necessary. Actionable Failure with regard to report submission or provision of additional information necessary to determine compliance shall cause a suspension in Milestone Payments until such time as the required information is received by the Agency.

3.2.2.3 Special Requirements for Implementation of Disadvantaged Worker Credit.

In addition to the obligations in 3.2.2.2, the Contract for Contractors who seek the Disadvantaged Worker Credit, will require the submission of regular reports regarding compliance with specific Disadvantaged Worker Credit commitments by Contractor on forms to be provided by Agency and on a schedule to be provided by Agency and included in the report. These reports will require that the Contractor demonstrate that a pro-rata share of the workforce represents compliance with the Disadvantaged Worker hiring commitment set forth in the Contract.

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In addition, within six months of the Contract effective date:

1. The Contractor will be required to have a written affirmative hiring policy for New Disadvantaged Workers which addresses Recruitment, Training, and retention for individuals who at the time of hire are Disabled Workers, individuals who are a current recipients (SNAP) or (TANF) benefits, individuals having a past record with the US criminal justice system that includes a felony conviction; Disabled Veterans; and persons who reside in an Area of Concentrated Poverty;
2. The Contractor will be required to demonstrate it has agreements with a minimum of two government or government funded workforce development institutions and/or nonprofit organizations for the purpose of Recruitment and referral of New Disadvantaged Workers;
3. The Contractor will show that it maintains and has available for review a written policy and application forms providing for all applicants at the pre- hire stage to be invited to voluntarily self-identify, consistent with Federal and relevant State law, as an individual with a Disability; individuals who are current recipients of (SNAP) or (TANF) benefits, individuals having a past record with the US criminal justice system that includes a felony conviction; a Disabled Veteran; or an individual who resides in an Area of Concentrated Poverty. Contractors also will be required to provide a written policy and process for post-offer voluntary self-identification of one or more of these statuses;
4. The Contractor will show that it maintains and has available for review a non-discrimination policy that provides that the Contractor, as an equal opportunity employer, complies with all applicable federal and state laws regarding nondiscrimination. This nondiscrimination policy will also show that Contractor is committed to a policy of equal opportunity for all persons and does not discriminate on the basis of race, color, national origin, age, marital status, sex, sexual orientation, gender identity, gender expression, current or past receipt of (SNAP) or (TANF) benefits, felony conviction, residents of an Area of Concentrated Poverty, disability, or veteran status in employment. Finally, the Contractor will maintain and have available for review a complaint procedure for any violation of this nondiscrimination policy.

3.2.2.4 Remedies. An Actionable Failure shall constitute a breach of the Contract, Agency's available remedies for which shall include all remedies set forth in the Contract. The Contract shall provide that, for Actionable Failure to satisfy a particular U.S. Employment Plan Commitment that was assigned a dollar value in the Price Adjustment process, Agency's monetary damages shall be considered to be no less than such dollar value. U.S. Employment Plan Commitments concerning payment of wages may be enforced directly against Contractor

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and Subcontractors by affected workers, as intended third-party beneficiaries of wage and benefit commitments of the Contract and relevant Subcontracts.

3.2.2.5. Withholding of Milestone Payments. Notice is hereby given that, in the event Agency determines that there has been an Actionable Failure by Contractor or its Subcontractors, Agency shall notify the Contractor in writing and shall provide the Contractor with 60 (sixty) days to correct such non-compliance. If such non-compliance is not corrected to the satisfaction of Agency within such 60-day period (or such longer period as Agency may in its discretion allow), Agency may withhold a portion of the next Milestone Payment due to the Contractor, in an amount that Agency determines in its discretion to be reasonable and appropriate based on the nature and extent of the Contractor's non-compliance. For an Actionable Failure to satisfy a particular U.S. Employment Plan Commitment that was assigned a dollar value in the Price Adjustment process, the amount withheld shall be no less than such dollar value. Any amounts withheld by Agency under this subsection shall be repaid to the Contractor, as part of the next Milestone Payment due, when the Contractor demonstrates to the satisfaction of Agency that it has corrected the non-compliance. Any withholding under this subsection shall not affect the right of Agency to exercise other remedies available under the Contract for the Contractor's non-compliance with U.S. Employment Plan Commitments.

TECHNICAL PROPOSAL (VOLUME 2)

(To be developed by Agency)

PR-5.0 REQUIRED CERTIFICATIONS (VOLUME 3)

The Certifications shall consist of the following:

PR-3.1 TAB 1: All Representations and Certifications required in the RFP Section .

REQUIRED CERTIFICATIONS shall be duly completed, executed and notarized, as required.

(To be fully developed by AGENCY)

DBE INSTRUCTIONS TO BIDDERS/PROPOSERS AND FORMS (VOLUME 4)

D100 DBE PROGRAM

D100 FEDERAL OBLIGATION: Agency, as a recipient of federal financial assistance, is required to take all necessary and reasonable steps to ensure nondiscrimination in the award and administration of contracts. Consequently, the federal regulatory provisions of 49 Code of

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Federal Regulation (CFR) Part 26, as amended, concerning the utilization of DBE applies to this contract.

D101 AGENCY POLICY STATEMENT: Agency has established a DBE Program in accordance with 49 CFR Part 26. It is the policy of Agency to implement the following steps in the administration of its Program to ensure DBEs have an equal opportunity to receive and participate on Agency DOT-assisted contracts:

- (1) To ensure nondiscrimination in the award and administration of DOT-assisted contracts;
- (2) To create a level playing field on which DBEs can compete fairly for DOT assisted contracts;
- (3) To ensure that the DBE Program is narrowly tailored in accordance with applicable law;
- (4) To ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;
- (5) To help remove barriers to the participation of DBEs in assisted contracts; and
- (6) To assist the development of firms that can compete successfully in the marketplace outside the DBE Program.

D102 INTERPRETATION: Any conflict, error, omission or ambiguity which may arise between these instructions and the federal regulations or Agency's DBE Program shall be resolved first in favor of the federal regulation and second, Agency's DBE Program.

D103 AGENCY OVERALL DBE GOAL: As a requirement of compliance with 49 CFR Part 26, Agency has set an overall goal for DBE participation on its federally assisted contracts. The overall goal applies to federal-aid funds Agency expects to expend for the fiscal year. To ascertain whether the overall DBE goal is being achieved, Agency will track the dollar amount paid to all certified DBE firms performing work called for in this Contract that is eligible to be credited toward Agency's overall goal.

D200 DBE PARTICIPATION

D202 CONTRACTOR ASSURANCE: The Contractor makes the following assurance and agrees to include the assurance in each contract that the Contractor signs with a Subcontractor:

The Contractor, or Subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of federally-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate.

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D203 DBE INFORMATION: Proposers are informed of the following:

- (1) A DBE must be a small business concern as defined pursuant to Section 3 of U.S. Small Business Act and relevant regulations promulgated pursuant thereto;
- (2) A DBE may participate as a Proposer, Subcontractor, joint venture partner with a Proposer or subcontractor, vendor of material or supplies, or as a trucking company;
- (3) A DBE joint venture partner must be responsible for specific contract items of work, or clearly defined portions thereof. Responsibility means actually performing, managing and supervising the work with its own forces. The DBE joint venture partner must share in the capital contribution, control, management, risks and profits of the joint venture commensurate with its ownership interest;
- (4) A DBE must perform a commercially useful function, i.e., must be responsible for the execution of a distinct element of the work and must carry out its responsibility by actually performing, managing and supervising the work;
- (5) DBE firms must be certified by the appropriate state Agency.

D204 RECOMMENDED DBE OUTREACH: Proposers are encouraged to outreach to DBE firms in all available subcontract work categories identified for this Contract. The following are recommended outreach efforts the Proposer can undertake to provide maximum opportunities to DBE firms, including all of the following:

- (1) Solicit certified DBE firms that have the capability to perform the work of the Contract through all available means (e.g. attendance at pre-bid meetings, advertising and/or written notices, outreach to community-based organizations and small business associations). Provide sufficient time for DBE firms to respond and take appropriate steps to follow-up initial solicitations.
- (2) Select portions of work to be performed by DBE firms in order to obtain DBE participation, which may include breaking out Contract work items into economically feasible units to facilitate DBE participation even when the Proposer might otherwise prefer to perform these work items with its own work forces.
- (3) Provide interested DBE firms with adequate information about the plans, specifications, and requirements of the contract in a timely manner to assist with response to a solicitation.
- (4) Negotiate in good faith with DBE firms.
- (5) Make efforts to assist interested DBE firms in obtaining lines of credit or insurance as required for the contract.

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- (6) Effectively use the services of available minority/women business organizations and other business assistance offices to provide assistance in the Recruitment of DBE firms.

D205 REPLACEMENT OF A DBE FIRM: If a Proposer lists a DBE firm, which is denied prequalification, the Proposer may replace the DBE firm with another subcontractor. The Proposer is encouraged to replace the DBE firm with another DBE firm. The Proposer shall notify Agency in writing prior to such replacement.

D300 CALCULATING AND COUNTING DBE PARTICIPATION

D300 CALCULATING DBE PARTICIPATION: Agency is only able to count toward the achievement of the overall goal the value of payments made for work actually performed by DBE firms. There will be no credit for work performed by a non-DBE prime or Subcontractor. DBE participation listed in the Proposal must comply with the provisions of this section.

D301 COMMERCIAL USEFUL FUNCTION: A DBE must perform a commercially useful function (CUF) on the Contract to be counted. A commercially useful function is performed when the DBE is Responsible for the execution of the work and is carrying out its responsibilities by actually performing, managing, and supervising the work involved. A DBE prime or Subcontractor must perform at least 30 percent of its listed work with its own workforce or must not subcontract a greater portion of the work than would be expected on the basis of normal industry practices for that type of work.

AGENCY and the Contractor are governed by the provisions of 49 CFR Part 26.55(c) on questions of commercially useful functions as it affects the work. Specific counting guidelines are provided in 49 CFR Part 26.55, the provisions of which govern over the summary contained herein.

D400 CONTRACT COMPLIANCE

COMPLIANCE MONITORING: Agency will monitor the Contractor's compliance with the DBE Program and administrative requirements for this Contract as provided in the Federal Contract Compliance Manual, to be incorporated into the Contract. The Federal Contract Compliance Manual is available at <http://www.dol.gov/ofccp/regs/compliance/fccm/fccmanul.htm>.

D500 DBE FORMS

DBE SUBMITTALS: The awarding Contractor will be required to complete DBE Forms for any listed DBE Subcontractor in the performance of the Contract. The Contractor will be notified of such submittals prior to Contract award.

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D600 CERTIFICATION CONSIDERATIONS IN BID & PROPOSAL PREPARATION

D600 CERTIFICATION IS GOVERNED BY FEDERAL REGULATIONS

Only firms certified as eligible DBE's may participate in the DBE Program. AGENCY has a responsibility to ensure that the only firms who participate in AGENCY's DBE Program are those certified as eligible DBE's under federal regulations, 49 CFR Part 26, and 13 CFR Part 121. Certification as a DBE means the firm has followed the procedures and met the standards described in the federal regulations.

D601 AGENCIES GRANTING DBE CERTIFICATION

DBE businesses must identify the Agency that granted them DBE certification and issued them their certification letter.

D602 VERIFY THAT DBE CERTIFICATION IS CURRENT

Each business represented as a DBE certified business must be verified as a current active participant in the DBE Program prior to the date of bid opening or Proposal submittal. DBE Certification is granted for a period of three years and verified annually. A business can be an active participant in the DBE Program, one that was certified within the last three years. Or a business can be inactive in the DBE Program, one certified more than three years ago but which failed to re-certify after the expiration of each cycle of three-year certification periods. A business can also be active in the DBE Program, but not current, meaning it has been certified within the last three years, but its owners may have failed to provide AGENCY or with the annual affidavits and reports required to maintain its DBE status. A business that is a DBE will be both active in its certification cycle and current in its affidavit filing and reporting responsibilities. It is only those businesses that are eligible to participate in the Program and only those businesses that will count toward the achievement of DBE contract goals.

AGENCY will independently verify the certification status of each candidate business representing itself as a DBE.

D603 Submit a copy of the current certification letter from each DBE Subcontractor or source issued to that firm by their certifying authority. The successful Proposer is encouraged to submit a copy of this certification letter with requested DBE forms prior to Contract award. The letter is needed for verification purposes.

D604 CERTIFICATION IS PROTECTED AND ENFORCED WITH FEDERAL REMEDIES

- (a) Suspension or debarment proceedings may be initiated by the DOT against any firm:
 1. That attempts to participate in a DOT-assisted Program as a DBE if the firm does not meet the eligibility criteria stated in the Certification Standards for DBE Programs and if it attempts to participate on the basis

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of false, fraudulent or deceitful statements or representations or under circumstances indicating a serious lack of business integrity or honesty.

2. That in order to meet DBE contract goals or other DBE Program requirements uses or attempts to use on the basis of false, fraudulent or deceitful statements or representations, another firm that does not meet the DBE eligibility criteria stated in the certification standards.

(b) In either case the DOT may take action itself through its Fraud and Civil Remedies Program or refer the matter to the U.S. Department of Justice for prosecution under appropriate criminal statutes.

(c) While the DOT may consider a purported DBE firm was certified by a valid certification authority, certification does not preclude the DOT from determining that the purported DBE or another firm that has used or attempted to use the purported DBE to meet DBE goals should be suspended or debarred.

D605 HOW DBE CERTIFICATION IS AWARDED TO SUCCESSFUL APPLICANTS

This is an overview of DBE Certification to help inform those preparing bids or Proposals. It is not intended to be an in-depth description of DBE certification standards. If a Proposer or Subcontractor is not a certified DBE, do not presume it is eligible or ineligible based on this brief description.

D606 CERTIFICATION INSTRUCTIONS DESCRIBE STANDARDS & PROCEDURES

AGENCY follows the standards and procedures defined by 49 CFR Part D to determine whether an applicant is eligible for DBE certification. These standards and procedures are described in detail in the Certification Instructions, provided with the Application for Certification, at Diversity and Economic Opportunity Department. Interested individuals or companies will start the process by obtaining a copy of the DBE Application and DBE Certification Instructions at AGENCY's Diversity and Economic Opportunity Department.

D607 DBE CERTIFICATION STANDARDS

Each applicant for DBE certification must prove to the certification authority, by a preponderance of the evidence, that the applicant meets the criteria of the federal regulations concerning group membership, (or individual disadvantage), business size, ownership and control.

D608 AN ELIGIBLE DBE FIRM IS AN SBA DEFINED, "SMALL BUSINESS"

An eligible DBE firm, including its affiliates, must be an existing small business, defined by Small Business Administration (SBA) standards (found in federal regulations at 13 CFR part 121,) appropriate to the type of work that the firm seeks to perform on the DOT-assisted contract. Further, the applicant firm can only be an eligible DBE in any Federal fiscal year if the firm,

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including its affiliates, has had average gross receipts over the previous three years of less than \$19.57 million. The Secretary of the U.S Department of Transportation adjusts this amount for inflation from time to time(to be updated by Agency).

D609 DBE OWNERS MUST BE SOCIALLY AND ECONOMICALLY DISADVANTAGED

Certain groups found by the Small Business Administration (SBA) to be disadvantaged are rebuttably presumed to be socially and economically disadvantaged. Certifications with respect to social and economic disadvantage, including signed notarized statements of personal net worth and supporting documentation are required. If an individual's Statement of Personal Net Worth shows that the individual's personal net worth exceeds \$750,000 the individual's presumption of economic disadvantage is rebutted and the person is not qualified to be a DBE owner.

D610 DBE OWNERSHIP BEYOND "PRO FORMA"

A firm's ownership by socially and economically disadvantaged individuals must be real, substantial and continuing, going beyond pro forma ownership of the firm as reflected in merely the ownership documents.

D611 DBE BUSINESSES MUST BE CONTROLLED BY DISADVANTAGED OWNERS

The firm must be independent and not depend on its relationship with another firm or firms to be viable.

END OF SUBMITTAL REQUIREMENTS

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SCHEDULE F: U.S. EMPLOYMENT PLAN APPLICATION FORM

PROPOSER: _____

CHECKLIST

REQUIRED DOCUMENTATION	
1. Fully completed U.S. Employment Plan Workbook (by Prime)	
2. U.S. Employment Plan Workbook Certification (by Prime)	
3. Fully completed U.S. Employment Plan Workbook (by Subcontractors)	
4. U.S. Employment Plan Workbook Certification (by Subcontractors)	
5. Minimum of one letter from non-profit or community based organization attesting to partnership around Recruitment of Disadvantaged Workers.	
6. Minimum of one letter from non-profit or government institutions attesting to partnerships with Proposer around training and workforce development (This letter shall describe a proposed partnership with Proposer to provide training to Hires on the Project if Proposer is awarded the contract. The same letter may be considered Responsive to both 5 and 6 if it references both commitments to work on Recruitment and training.)	
7. Signed Letter of Intent, Lease or Purchase Agreement for U.S. Final Assembly site	

In order for a Proposal to be deemed Responsive with regard to the U.S. Employment Plan requirement, at a minimum, Proposer shall respond to each of the below prompts, complete the U.S. Employment Plan Workbook and submit the below requested documents. Responses to all of the below prompts and submission of all of the required documentation shall constitute US Employment Plan Commitments and shall be incorporated into the Contract, upon award of the Contract.

1. **Outreach and Recruitment Plans for New Hires:** Describe plans for the Recruitment and hiring of New Hires and Disadvantaged Workers for new positions, including coordination with at least one nonprofit and/or governmental organization to assist in the Recruitment of New Hires. A minimum of one letter attesting to such a partnership is required.
2. **Workforce Training Plans:** Describe training designed to create permanent, transferable skills for all Hires on the Project by job category. Include in this description any plans to take advantage of publicly funded workforce development Programs or union apprenticeship Programs for the relevant job categories. List applicable transferrable credentialing

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opportunities that will be provided to all Hires on the Project and plans for coordinating with workforce development, apprenticeship and training Programs to deliver that training, if any. Provide at least one letter from a non-profit or governmental institution involved in providing Workforce Training to Disadvantaged Workers, attesting to partnerships with Proposer around training and workforce development (institution may be located anywhere in the United States). This letter shall describe a partnership with Proposer to provide training to Hires on the Project if Proposer is awarded the Contract. If the same nonprofit or governmental institution will be involved in assisting with both Recruitment of New Hires and training, one letter describing both Programs will suffice to meet this requirement.

Using the provided U.S. Employment Plan Workbook, specify the estimated dollar commitment that Proposer and Suppliers will make for Workforce Training for Disadvantaged Workers, unskilled people, and the advancement of more experienced New Hires and/or Incumbent Workers. Any planned or projected financial contribution made by Proposer to this nonprofit or governmental institution in furtherance of Workforce Training for New Hires and Incumbent Workers for work on the Project may be counted in the appropriate boxes on the US Employment Plan Labor Value Form and applied to the Price Adjustment.

3. **Description of Jobs Created and/or Retained:** Describe the quality and range of U.S. employment opportunities for both skilled and unskilled workers proposed to be created under the U.S. Employment Plan, minimum requirements for the positions, and include the extent to which the plan is likely to produce long-term employment in skilled or trade labor for Disadvantaged Workers. This should include a description of the opportunities for ongoing promotion, if any, for New Hires and Incumbent Workers in entry level and/or semiskilled positions.
4. **Compensation and Benefits:** Describe base compensation provided to all Hires. Also describe eligibility requirements for and employer contributions to be made to employee benefits for Hires, partners and dependents; including out-of-pocket costs for medical and dental coverage, retirement benefits, paid vacation and paid sick leave. A reporting of the dollar value of benefits, base pay and salary, and overtime shall also be included in the attached U.S. Employment Plan Workbook.
5. **U.S. Jobs Forms:** Using the provided U.S. Employment Plan Workbook specify the number of New Hire and Incumbent Worker job hours proposed to be created in the U.S., job category/occupation, duration,, location and the direct dollar value to the Contract. For purposes of the Price Adjustment, only work performed specifically under the Contract for this Project shall be used to measure Hires. Each Proposer shall define the direct hours on this Project to be expended and Hires using the attached U.S. Jobs Base Only and U.S. Jobs Base plus Options forms. If the Proposer wishes to count Subcontractor Hires in the Price Adjustment, Subcontractors shall file separate U.S. Jobs forms. If the Proposer wishes to take advantage of the Price Adjustment, the Workbook must be accompanied by certification, executed by a corporate officer of the Proposer and of Subcontractors/Suppliers (as applicable), that certifies the firm has a Cost Accounting System (CAS) that can segregate employee labor by Project, and that the information provided in the U.S. Employment Plan is true and correct.

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6. **Commitment to U.S. Production Site:** Provide a signed Letter of Intent, Lease or Purchase Agreement for an identified site—for the location of the Final Assembly and/or Manufacture of the Vehicles. In accordance with federal law, the site may be located anywhere in the United States. Evidence of a commitment to a specific location for Final Assembly of the Vehicles in the U.S. is sufficient to satisfy this requirement.
7. **Facility Investment Credit:** Describe plans – if any – to build a new Domestic Facility or invest in significant repairs and renovations to an existing Domestic Facility in order to Manufacture the Vehicles. Include in this description a detailed explanation of the specific component parts or design and engineering work that will be done in this Domestic Facility and specify the exact proposed location of this Domestic Facility. Also describe the extent to which Final Assembly will also be conducted at the same Facility. In order to earn the allowable credit towards the Price Adjustment for a new production facility, dollars towards repairs and renovations to an existing facility and/or new capital expenditures, complete the attached U.S. Employment Plan Workbook.

Calculating the credit is a straightforward process. First, the Proposer reports the value of all Domestic Facility investments that do not involve Final Assembly. Second, to ensure the Agency does not bear the full costs for those investments, the Domestic Facility investment's value is reduced to 20 percent of the total value, which is equal to a five-year, straight-line depreciation schedule. This leaves the resulting formula:

$$\text{Facility Credit} = (\text{Value of Non-Assembly Facility Investment}) * 0.20$$

In addition to lowering the Domestic Facility's credited value, the depreciation multiplier includes a distinct benefit for the Proposer. Each Proposer will be permitted to claim credit for a particular Domestic Facility investment over five years, meaning a Proposer can receive credit for prior Domestic Facility construction in future transit procurement applications. This 5-year applicability provides further incentive to invest in the US marketplace, and ensures the credit process doesn't overly promote the construction of new facilities at the expense of older ones. The goal is to fill gaps in the supply chain—not create a glut of facilities.

END OF U.S. EMPLOYMENT PLAN APPLICATION FORM

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**U.S. EMPLOYMENT PLAN
SUBCONTRACTOR CERTIFICATION**

I _____ [name of corporate office] certify, under penalty of perjury under the laws of the State of _____, that the information regarding _____ [name of Subcontractor] provided in the U.S. Employment Plan submitted by _____ [name of Proposer] is true and correct to my knowledge, and that _____ [name of Subcontractor] has an internal Cost Accounting System that provides for the segregation of work hours and costs that can be utilized to verify the information provided in the U.S. Employment Plan.

Executed on _____, _____ at _____
Date Year Location

Typewritten or Printed Name Signature of Corporate Officer Title

END OF SUBCONTRACTOR CERTIFICATION