

**Florida High Speed Rail Authority**  
**Meeting Minutes**  
**August 13, 2002**  
**Greater Orlando Airport Board Conference Room**  
**1 Airport Blvd., Orlando, Florida**

**Call to Order:** Chairman Frederick Dudley called the meeting of the Florida High Speed Rail Authority (FHSRA) to Order at 10:05 a.m. Members in attendance were: John P. Browning, Jr., Vice Chairman; Norm Mansour, Secretary (via teleconference); Lee Chira, Treasurer; Heidi Eddins; C. C. "Doc" Dockery; William Dunn, P.E.; Skip Fowler, Esq.; Leila Nodarse, P.E.; and Transportation Secretary Tom Barry.

**1. Welcome and Introductions**

Chairman Dudley welcomed all attendees. There was a brief discussion of lunch to be provided by Greater Orlando Airport Authority (GOAA), and all attendees at the meeting were invited to join the FHSRA Board for open discussion at that time. Also, those who are on the commission were informed about a limited Tour of the FAA Tower, which was scheduled to occur at 11:30 a.m.

**2. Minutes Approval**

The minutes from the previous meeting, held on July 11, 2002 were reviewed. On a motion made by Mr. Fowler and seconded by Mr. Dunn, the meeting minutes were approved unanimously without correction.

**3. Old Business**

**A. Strategic Planning Retreat Meetings**

Mr. Haddad called FHSRA members' attention to the tentative agenda included under tab 3.a. He explained that they have organized four sessions for the retreat, which has been scheduled for September 5<sup>th</sup> and 6<sup>th</sup>. Mr. Haddad reviewed the sessions and noted who the invited participants are (not all are confirmed) including:

- Session 1: Rail Operators. Including the French National Railroad, the German National Railroad, *Amtrak* *Acela* and Florida East Coast Rail.
- Session 2: Partners/Competitors to HSR. Including *Mears Transportation*, Tri-Rail, several rental car companies and airlines. It will also involve an agency called Meeting Planners to explain how to package wholesale transportation services relating to HSR.

- Session 3: Organizational Structure. Including the Orlando Orange County Expressway Authority, Turnpike Enterprise Authority, we are also inviting someone from Texas Turnpike Authority.
- Session 4: Funding. Including legislative/congressional representatives and FRA representatives.

Chairman Dudley explained that the purpose of the Strategic Planning Retreat is to form alliances with the providers of other transportation modes that might compliment HSR as well as to identify and include potential opponents to HSR. He stated that the FHSRA is especially interested in hearing from public and private entities that have concerns about HSR and would like to address the commission regarding their concerns.

## **B. Mid-Year Report and Brochure**

Mr. Haddad informed the FHSRA that these items have been finalized and will be mailed out to all political candidates the following week. He stated that copies were also available today. Chairman Dudley explained that these items are meant to encourage dialogue among candidates regarding HSR during their campaigns.

## **4. Request for Proposals (RFP)**

### **A. Review of Comments Received on First Draft**

Mr. Haddad commented on the accomplishments of the RFP development team and recognized the contributions of Adrian Share, Kevin Thibault, John Beck, and John Bottcher. He provided a brief update of activities, and discussed the RFP vendor sessions that occurred recently as well as meetings with ridership consultants, FRA and the PD&E Team. Mr. Haddad further explained that the RFP has been updated to include many of the suggestions provided during these meetings.

He called the FHSRA members' attention to the summary of key issues provided in tab 4 of the agenda package. In addition, he informed the Authority that several vendors expressed an interest in addressing the FHSRA during this meeting. Chairman Dudley stated that the general consultant would present the comments and other speakers would be able to address the Authority during the public comment portion of the meeting.

Mr. Share presented a general recap of the RFP vendor sessions and commented on the benefits derived from this effort. He further explained that several common themes or major issues were identified during these meetings. Mr. Share listed four primary themes including: the need for a level playing field, a limited field of competition, reassurance of a fair and stable selection process, and FHSRA receptiveness towards vendor input. He went on to say that the Major Issues document that is about to be outlined presents the items discussed with vendors as well as the RFP adjustments based FRA comments.

Mr. Share reviewed a revised schedule of events (using a display presented to the meeting participants) based on two primary points identified by the FRA including:

1. Given the extent of the work to be performed and the potential for multiple technologies using multiple alignments, the original schedule is untenable; and
2. The Record of Decision (ROD) cannot be attained until the technology proposed by the preferred provider is approved by the FRA. Only one technology currently has this approval (ACELA). Although several others are considered “mature” and readily certified, there still needs to be time built into the schedule for this.

He added that this schedule is based on a worst-case scenario and could be moved up or accelerated dependent on the number of bids received. He went on to state that an additional schedule change resulting from the vendor meetings includes issuing a contract to the identified vendor in October 2003 rather than November 2003. He explained that this would bring the DBOM contractor “on-board” to complete the EIS process. Mr. Share added that the start of revenue service was also adjusted to December 2007.

Mr. Share reviewed the request for project costs in the RFP including the total project cost for the High Speed Rail System from Tampa to Orlando (in 2003 dollars) including the public contribution and the vendor contribution. He continued to say that the public contribution would identify an annual amount that would be needed for the Tampa to Orlando segment – not including those funds that are appropriated to HSR Authority activities. Mr. Share stated that the RFP also would request an approximation of when the vendor would be able to offer a revenue sharing option to the Authority.

Ms. Eddins questioned the definition of Firm Project Cost and Total Project Cost as referenced in the RFP, given the fact that it asks for the proposals to be submitted before the Record of Decision indicating necessary mitigation requirements. Mr. Share responded that there is a proposal regarding how to address that issue that will be discussed during this meeting.

Mr. Dunn questioned the possibility of joint development as a consideration in each of the categories. Mr. Share replied it shouldn’t be presented as part of the total project cost, but rather as an enhancement to the proposal that is presented to the Authority. Mr. Dunn further questioned what would actually be submitted by the proposers under the evaluation criteria being proposed.

Mr. Share explained the categories of evaluation:

1. Technical Evaluation
2. The Financial Capability
3. The Proposed Enhancements

He stated that under the Enhancements, vendors would be able to list items that they would bring to the table that are above and beyond the requirements, such as joint development.

Ms. Eddins questioned the methodology for evaluating costs and whether the RFP is looking for a Fixed Firm price or a Guaranteed Maximum Price. Mr. Share stated that the RFP is requiring a fixed price based on 2003 dollars. Ms. Eddins asked if this would be a Fixed Firm Price subject to change orders based on the Record of Decision Requirements. Mr. Share explained that the RFP allows for changes that are reasonably anticipated from the findings issued by the ROD and

the EIS process. He stated that the recommendation to the Authority is that a 2% contingency be carried by the Authority for this purpose.

Mr. Share stated that insurance issues continue to be determined; however, the current preference is for a project specific policy that may be owner controlled or contractor controlled. Chairman Dudley questioned why the Authority would recommend contractor controlled rather than Authority controlled insurance. Mr. Share stated that it would influence whether the Authority would administer the policy or simply oversee it. Ms. Eddins added that it would transfer much of the work to the vendor.

Chairman Dudley questioned whether the insurance liability would be effective during construction or throughout operations. Mr. Bottcher stated that there would be a series of policy requirements throughout the project, which might include an OCIP or CCIP. He continued that staff is not prepared to make a recommendation yet as to whether that should be an OCIP or CCIP with regards to insurance.

Mr. Mansour commented that he believes the vendor should be the administrator of the insurance policy and the FHSRA should be named as an additional insurer. Some discussion continued regarding sovereign immunity issues and annual premium costs. Ms. Eddins suggested that the FHSRA continue to investigate this matter over time due to the dynamic nature of the insurance market.

Mr. Share then presented the consideration of minimum qualifications for proposers to be considered responsive for this RFP. He stated that these would include a \$250 million minimum bonding capability, demonstration of a proven technology (not yet defined), and the ability to meet the minimum insurance requirements. He stated that these criteria would provide a good screening of serious competitors that are able to complete the project.

Chairman Dudley questioned why the level of the bonding capacity doesn't cover the cost of construction. Mr. Bottcher stated that this initial amount covers the RFP only and that there would be an additional bonding capacity for the construction, at which at that time you would go to the construction. Chairman Dudley followed up by asking what would happen if the proposer could not meet the additional bonding requirements. Mr. Bottcher stated that they don't currently know what the bonding capacity will be for construction and explained that this is simply an initial screen for vendors. Discussion continued and Mr. Chira concurred with Chairman Dudley's statement.

Mr. Bottcher reminded the FHSRA that these are simply minimum qualifications for vendors to respond to the RFP; additional proof of construction bonding will be required in the evaluation criteria applied to the financial plan of the proposal. Mr. Mansour commented that \$250 million bond does not seem to indicate the credit worthiness of the vendor, and he recommends requiring additional information to determine financial stability. Chairman Dudley added that FS Ch. 255 requires full payment performance bond and Mr. Bottcher stated that it is required in the RFP.

Chairman Dudley went on to ask why proven technology does not just simply require FRA Approved Technology. Mr. Share replied that ACELA is the only FRA approved technology,

but also acknowledged that it's a term that hasn't been defined clearly. Discussion continued and members agreed that further discussion would be required on this topic.

Mr. Dunn asked if it is correct that the FRA will not begin to review a technology until a contract is signed and funding is established. Mr. Quandel stated that the environmental aspects of the proposals will be evaluated upon submission; however, the safety aspects will not be reviewed until after the identification of the vendor.

Mr. Dunn also commented that FRA rulemaking is technology dependent and questioned the accuracy of the schedule due to this variable. Mr. Share replied that rulemaking is technology dependent; however, he continued that the FRA has commented on this schedule, indicating that they are comfortable with the current timeframes. Chairman Dudley added that FRA representatives will be at the September retreat and this can be discussed in greater detail at that time.

Ms. Eddins commented that it will be important to ensure that the appropriate FRA representative be present at the retreat, and then asked about the first time use of a highway median. Mr. Quandel stated that this is still being addressed, and Ms. Eddins requested that this issue also be discussed at the retreat.

Chairman Dudley suggested that staff take another look at the reference to "proven technology" and consider changing it to "feasible technology." Mr. Share stated that they would continue to detail this concept and present it to the FHSRA for additional review. Mr. Haddad clarified that FRA does not approve technologies, but rather they determine the rules by which a rail operator must comply.

Mr. Chira supported Chairman Dudley's position and commented that he would prefer to see a \$500 million bonding capacity.

Mr. Share continued to review the major issues by reviewing staff recommendations for the evaluation criteria including a technical and financial component as well as an opportunity to consider proposed enhancements such as system expansion, joint development or others. He continued by discussing the identification of the preferred DBOM&F proposer. Mr. Share explained that there are primarily two alternatives being considered:

- 1) A qualitative assessment of evaluation criteria; and
- 2) A low bid/best value with schedule (formula similar to FDOT design-build concept).

Mr. Dunn commented that this was addressed at the previous FHSRA meeting, and the Board agreed that they would not use assigned category weightings to score the evaluations. He stated that a set of criteria would be used; however, the board members would have the option to place emphasis on the categories that they felt were important rather than plugging information into a formula. Mr. Share stated that they were suggesting this based on the strength of vendor input regarding this issue and he recommended that the Board reconsider this. Chairman Dudley stated that the vendors should address the Board to express their opinions on this matter. Discussion continued.

Ms. Nodarse commented that this formula uses a typical approach for assessing proposals and she did not concur with deviating too far from it. She continued that the low bid/best value has both a quantitative and qualitative components and she supports this method of evaluation. Chairman Dudley commented that this project is different than a FDOT road project. He continued to say that in this case, time is a natural incentive to a vendor because the earlier they complete the work, the earlier they will begin generating a revenue stream. Chairman Dudley added that he is concerned to know how much the project will cost the state and what is the state going to get back.

Secretary Barry stated that FDOT used a quantitative assessment previously and has introduced qualitative elements in recent years. He stated that this decision is ultimately up to the members of the FHSRA; however, he cautioned that a quantitative scoring system is subject to greater challenges by dissatisfied participants. Mr. Bottcher concurred.

The FHSRA broke for lunch at this time and re-convened at 1:00 pm.

Mr. Chira began the afternoon session by presenting information regarding the negotiations with financial auditor Ernst & Young. He explained some of the expenses included in the contract and stated that it was determined to total no more than \$24,000 maximum.

Mr. Dunn offered a motion to authorize the FHSRA Treasurer to sign the contract of services for Ernst & Young as the financial auditor for the FHSRA. The motion was seconded by Mr. Fowler and approved unanimously by the Board.

Mr. Chira continued by describing a recent meeting he had with Disney Corporation regarding the potential station, operators or sight locator stations. He recognized that it's going to be a very difficult process, relative to where these stations are going to be, and who's going to pay for them. He stated that the most important issue concerns the private sector financial contribution that will be made to the station, if any. Mr. Chira added that he had another discussion with Orange County regarding station locations.

Mr. Chira continued to say that he also met with Governor Bush and again invited him to meet with the FHSRA. He explained to the Governor that the FHSRA intends to accumulate information on HSR, present it to the Governor and the legislature and let policy makers decide.

Chairman Dudley then recognized a vendor request to address the FHSRA prior to leaving on his scheduled flight.

### **C. Public Comment**

Mr. Dave Gedney, addressed the FHSRA on behalf of Flour-Daniel and Bombardier. He complimented the Board for enabling vendors to meet with staff to provide significant input to the RFP development. Mr. Gedney then explained that he wanted to discuss two primary issues regarding this process. The first, he explained is the date shown for the beginning of revenue service. Mr. Gedney stated that the FHSRA has successfully dealt with the FRA with regards to extending the time necessary to achieve a Record of Decision, but in doing so, you've taken

away 6 months out of the time available for a vendor to design and build a system. He stated that this project will cost approximately \$1.5 billion, and is primarily located in the median of an extremely congested thoroughfare. He continued to say that FDOT is currently engaged in an extensive widening program on I-4, and the scheduling of HSR work and the scheduling of the widening work may cause conflict as entities compete for corridor access, people, equipment and material. Mr. Gedney commented that, based on his experience, 3 ½ years to design and build a project of this magnitude might prove to be impractical.

Mr. Gedney pointed out a second concern regarding the paucity of information given to the bidders and the late timing for receiving that information. He commented that in doing this, vendors will not be able to provide you with the very best value. In addition, he stated that the ridership data will not be totally complete on November 15<sup>th</sup>, and that has to be the basis for determining the parameters that would be expected. Mr. Gedney stated that they will have no ability to validate the ridership data; therefore, they would be required to present a bid based on your data as the premise of their offer.

Mr. Gedney wrapped up his comments by thanking the Board for their time and by complimenting the FHSRA on their accomplishments thus far and for the recent improvements over the original RFP.

Mr. Dunn asked Mr. Gedney if he thought it would be more appropriate for us to allow the individual vendors to tell us what date they expect to be in revenue service, rather than dictating it. Mr. Gedney replied that he thinks the consultant should complete the scheduling with consideration for FDOT work or other corridor issues.

Mr. Dunn commented on the criticism of the FHSRA schedule, stating that they have various constraints they are trying to meet, and he asked Mr. Gedney for any suggestions on how to accomplish this. Mr. Gedney replied that he understands the driving factor is the funding and that the FHSRA must seek State and Federal support. However, he continued, the FHSRA can't sign a contract with any vendor without full funding. He then re-emphasized that he wants the FHSRA to understand that the bids will reflect the time constraints and uncertainties associated with this project.

Mr. Dudley commented that Mr. Gedney's concern seems to be regarding the revenue service starting date in the revised Schedule, which shows December 31<sup>st</sup> 2007. Mr. Gedney replied affirmatively, and Mr. Share commented that this would be considered.

Mr. Gedney stated that they are currently investigating four separate proposals in order to meet the January 10<sup>th</sup> submission. He explained that the RFP requires four individual projects and as Mr. Bottcher says, if you don't submit all four you're not necessarily qualified. He continued to say that their challenge is to convince themselves that they can complete four price proposals in that short period.

Mr. Dockery asked if an additional month would be helpful, and Mr. Gedney responded that any added time would be helpful. Discussion continued and Mr. Dockery stated that he would pose no objections to an additional month.

**A. Review of Comments Received on First Draft (continued)**

Mr. Share continued by stating that there are several alternatives regarding routes and station locations, and each of the proposers should respond to each of them in order for the environmental process to be legitimate.

Mr. Share discussed right-of-way by saying that the RFP will use the eminent domain rights of FDOT as the way to acquire the property needed for the project.

Ms. Eddins commented regarding the unavailability of State Eminent Domain Power over CSX's Right-of-Way and added that that should be clearly expressed in these documents. Mr. Bottcher replied that staff could include a reference to that issue in the document. Discussion continued and Chairman Dudley suggested that the staff draft language addressing this issue and send it to Ms. Eddins for her review and her comments.

Mr. Share also mentioned that ROW should be owned by the FHSRA, and that vendors should recognize that use of ROW owned by the Expressway Authority will require a fee for use. Mr. Dunn asked whether the FHSRA would negotiate this or would vendors be required to negotiate this fee. Mr. Share stated that he simply wanted to make this point clear. Discussion continued.

Mr. Share then presented the consideration of offering a "stipend" for vendors to cover a portion of their expenses in providing PD&E information and to cover the purchase of intellectual property for use from unsuccessful proposers.

Mr. Dunn stated that this seems to suggest a short-listing process to identify qualified vendors. Mr. Share stated that a stipend would only apply to qualifying firms, but they are not suggesting a short list process. Chairman Dudley commented that this could obligate the FHSRA to provide a stipend for numerous firms. Discussion continued and Mr. Fowler commented that this sounded like a fairly common industry practice.

Chairman Dudley relinquished his position as Chairman and subsequently offered a motion that the FHSRA *not* authorize a stipend to vendors. Mr. Dockery seconded the motion and additional discussion continued among members regarding the practice of offering stipends. Mr. Dudley explained that he is confident that a stipend will hurt the chances of success for HSR and he urged members to resist this request. The FHSRA voted in support of the motion with Mr. Dunn opposing the motion.

**C. Public Comment**

Ralph Mervine from Arcadis addressed the FHSRA on behalf of the Global Rail Consortium. He applauded the FHSRA on their accomplishments in drafting the RFP and he commented on several specific concerns:

1. Timing – vendors must know time certain deadlines for key issues;
2. Price – FHSRA should explain what is actually important with regards to funding. Since this is funded through public and private sources, the public subsidy required is all the FHSRA should be interested in knowing.

3. Evaluation – should not be based on low bid alone, but rather the ability of the proposer to deliver on their financial commitment. Also, the assumptions used to present financial information must be detailed more clearly.
4. Bonding Capacity – they agree that a \$500 million bond is more appropriate and cautioned them against requiring greater values.

Mr. Fowler asked if Mr. Mervine could please explain his comments regarding public/private funding with regards to price. Mr. Mervine stated that this was referring to capital costs and commented that he is concerned over whether a consistent set of assumptions will be used by vendors to estimate funding over a 30 year period in 2003 dollars.

Ms. Nodarse asked Mr. Mervine to provide an assessment on the evaluation formula presented earlier with regards to price. Mr. Mervine stated that by using the bottom line figure rather than the amount used for an annual subsidy, the formula becomes much less sensitive to variations.

Ms. Eddins asked if he was suggesting that vendors would not provide a fixed firm price with their proposals. Mr. Mervine replied that he suggests that the total cost provided not be used in the evaluation criteria given that the FHSRA is mainly interested in is the public sector contribution.

#### **B. Presentation of the Second Draft of the RFP**

Mr. Bottcher explained that the RFP is structured into three parts, including the information provided by the FHSRA, the information requested from the proposers, and finally the evaluation criteria that will be used to assess the proposals. He reviewed several changes including a redefining of the term “beginning of construction” to include the issuance of the actual contract with the identified vendor. He went on to explain that the pre-proposal meeting was changed to be a mandatory meeting and he then reviewed changes to the schedule.

Ms. Nodarse asked if the schedule would be expected to be changed based on Mr. Gedney’s comments and Mr. Dockery’s response. Mr. Share replied that some issues surround the extension of this deadline, which will add pressure to this process. Discussion continued regarding legislative activities, and Secretary Barry commented that it appears as though the bulk of the work involves completing the NEPA requirements in fiscal year 2003/04. He stated that this figure should be easy to estimate and request. Chairman Dudley replied that it is the future year funding that is a concern, and Secretary Barry replied that the FHSRA would not be asking for the total cost or for future year commitment. Discussion continued regarding the beginning of construction, the issuance of a contract and the FHSRA schedule with regards to the EIS and ROD.

Chairman Dudley returned to the schedule included in the RFP and asked FHSRA members if they had any objections to delaying the RFP submissions by one month. Hearing none, he directed staff to make the appropriate change. Mr. Share stated that they would revisit the schedule.

Mr. Bottcher continued to review changes to the RFP, many of which were presented earlier by Mr. Share. He discussed ROW issues and added that Ms. Eddins' earlier comments regarding negotiations with railroads would be added to the RFP. Mr. Dunn commented that this should be an Authority function. Mr. Beck stated that the intent was for the proposers to have a land acquisition specialist on staff to address ROW procurement in accordance with the construction schedule. Mr. Bottcher explained that this is still the expectation; however, it is subsequent to the contract and Mr. Dunn is referring to costs that would be required in the proposal.

Mr. Dunn stated that he does not want multiple vendors attempting to negotiate these costs in order to prepare their estimates. Mr. Beck suggested that the staff determine a value to be used by vendors for this. Discussion continued and Chairman Dudley directed staff to rewrite this section with consideration to FHSRA member comments. Secretary Barry commented that by allowing these negotiations, the private sector might be able to structure an interesting deal that is worth considering. Chairman Dudley replied that the FHSRA must weigh that against the notion of a level playing field for competitors.

Mr. Bottcher continued to review updates to the RFP with regards to providing future phases and submitting multiple proposals. He explained that vendors must submit a proposal that addresses the alignments identified by the FHSRA; however, they may also submit other alternatives in addition to this if desired.

Mr. Bottcher continued by discussing insurance and bonding requirements, and Mr. Dunn asked if a bid bond was going to be required. Mr. Bottcher replied that it is not required in the RFP and Mr. Beck added that this would place an additional burden on the vendors for a project that is not funded. Discussion continued and Secretary Barry stated that FDOT requires bid bonds, however, the lack of secured funding is a good point in this case.

Mr. Dunn offered a motion to amend the RFP to add requirements for a bid bond of \$10 million. Ms. Eddins seconded the motion and the FHSRA Board approved it unanimously.

Ms. Eddins suggested three changes to the insurance and bonding section including:

1. Adding language stating that policies would be purchased in accordance with industry standards;
2. Adding the FHSRA as an additional insurer named on the policy; and
3. Clarifying the indemnification section to ensure that it is appropriate for liability for passenger trains and not freight.

Mr. Dockery asked staff whether they consulted an insurance industry specialist when drafting this section of the RFP and he suggested that before deliberating on this, they get appropriate advice from an insurance professional. Minor discussion continued and staff acknowledged the suggestion. Mr. Mansour commented that there are many risk management firms and it would be appropriate to bring someone in to revisit this matter.

Mr. Bottcher went on to explain that the contract duration for operations is 30 years and Chairman Dudley stated that the FHSRA had determined it would be 60 years with an option to renew. Mr. David Miller commented that duration factors into the overall finance plan and is

probably too detailed to discuss in this meeting. He stated that this matter would be addressed at the retreat next month.

Mr. Bottcher began to address the selection criteria and O&M. Ms. Eddins commented that earlier discussions referred to a Fixed Firm Price Contract, but now the RFP seems to require a Guaranteed Maximum Contract Amount, which are two different concepts. She stated that the document then goes on to talk about estimates for Operating and Maintenance Costs, which is a difficult number to get your arms around for the time period that we're considering. She requested some clarification about whether staff is proposing a Firm Fixed Price or a Guaranteed Maximum Price and then how operating costs are expected play into it. Mr. Share replied that his understanding is that the FHSRA wanted to establish a time period for operations and maintenance of the HSR system, which has a value associated with it. He continued to say that the way to recognize that value is for vendors to give us a figure and make it part of the total project cost.

Ms. Eddins asked if the intent was to have the operator bear all of the operating risk. She commented that it doesn't appear to be clearly stated in the RFP. Mr. Share acknowledged her point and replied that the language would be modified to address her concerns. He added that what they're looking for is a Fixed Firm Price to build with a clear understanding that the operator bears all of the Operating & Maintenance risk. Ms. Eddins added that the RFP should also clearly state that operators should provide information regarding expected revenue so that the FHSRA can evaluate revenue sharing opportunities.

Mr. Bottcher then presented the evaluation criteria or selection of technology section of the RFP. He stated that there are currently two alternatives being considered:

1. A qualitative process that establishes minimum requirements for consideration and then allows members to perform a comparative analysis by articulating their preferences. He stated that FHSRA members would judge the merit of each proposal and make a conclusion as to which one is the most worthy.
2. The second alternative is the low bid/best value method that Mr. Share explained earlier. This applies the Evaluation Criteria and generates a score, which is plugged into a formula that will determine the final ranking.

Mr. Dockery interjected that he would prefer all references to public sector contributions be referred to as an investment rather than a subsidy. He stated that studies show this truly is an investment and will reap a tremendous amount of benefits.

Mr. Dunn offered a motion to abandon all consideration of evaluation methodologies that utilize a weighting or formula or that requires members to vote in any way other than just expressing our opinion about which proposing firm comes first. Ms. Nodarse seconded the motion for discussion purposes only, which did follow.

Mr. Dunn stated that he prefers Alternative 1, but has additional questions about it and may want to offer another version. Ms. Eddins stated that she would like to hear from the FRA regarding their views on using the Merit Criteria or not. Mr. Quandel replied that the FRA is very concerned about the application of evaluation criteria and believes that Alternative 2 will comply

with the NEPA process as well as be defensible in the EIS. He added that FRA representatives will be at the Strategic Planning Session and he recommends discussing this issue at that time.

Secretary Barry commented that if the FHSRA engages in a dialogue with FRA without first taking a position, the Authority may be at a disadvantage. He recommend that the Authority choose the methodology that they believe is the most appropriate and then let the FRA explain why that's not possible, if they in fact feel that way.

Mr. Share commented that the vendors are clearly in favor of having a quantitative component as well as a qualitative component for ranking proposals. Discussion continued regarding the arbitrary assignment of weighting and Mr. Dunn stated that he does not want to commit to an arbitrary set of numbers on a contract in excess of a billion dollars. Discussion continued and Ms. Nodarse asked if any other proposal is being made in lieu of this method. Chairman Dudley stated that the Authority would be left with the more subjective criteria under Alternative 1.

Ms. Nodarse argued that might be more arbitrary than using the Alternative 2 and added that she is not comfortable with a 100% qualitative-based decision. Chairman Dudley stated that this does not prevent the consultant from coming back with another alternative. Mr. Fowler asked if the concern is actually with the criteria or the allocation of value to the criteria or both. Mr. Dunn replied that he doesn't like utilizing a bunch of numbers, which may end up producing an answer that no one on the selection committee expected, and then you become a victim of the numbers. Discussion continued.

Mr. Mansour stated that the criteria in Alternate 1 and Alternate 2 are identical. The difference is that the weighting assigned Alternate 2 is arbitrary. Chairman Dudley agreed that the criteria are essentially the same. Mr. Mansour added that the primary difference is how each member expresses his or her preferences and then stated that he is uncertain that a value system can be defined in a way that would necessarily satisfy everybody.

Chairman Dudley suggested that if Mr. Dunn's motion passes, he would direct staff to present another alternative for the Authority's consideration. Secretary Barry commented that the ranking could be similar to that used to select FOX, which never had a number in it. He stated that it included a comparative dialogue that was a deliberative analysis of the proposals to determine the recommended company.

The motion passed on a vote of the FHSRA, with Ms. Nodarse voting in opposition.

## **5. Strategic Intermodal System Plan (SIS)**

Secretary Barry addressed the FHSRA regarding the Strategic Intermodal Systems (SIS) Plan. He provided a handout to Board members and commented that if this project goes forward, HSR would be part of the SIS.

## **6. Presentation from Beeline Monorail Systems**

Dr. John Delk presented information regarding the Beeline Monorail System. Mr. Delk introduced Mr. Stephen Shcherer, an economist and founding member and Mr. Charles Settgest. Mr. Settgest provided some background regarding their efforts and stated that they believe there is a definite advantage to continuing their work in light of the progress made by the FHSRA. He further explained that while certain aspects of their Intra Module Transportation System are not what the FHSRA is considering, he does believe there are some opportunities with regards to station locations. Mr. Settgest stated that they believe it would be an advantage for the FHSRA to support Beeline Monorail Systems efforts to obtain a lease for operations.

Chairman Dudley explained that the FHSRA doesn't control any of the ROW that they are concerned with. He added that his concern as Chair to this Authority is that the HSR have priority over where the HSR will operate.

Mr. Fowler asked about their relationship with LYNX, and Mr. Delk replied that they do not have a relationship with LYNX at the present time. Chairman Dudley suggested that's probably a good place for them to start. Discussion continued and Ms. Eddins commented that this was not the appropriate forum for this discussion, but that there's multiple opportunity for public comment to the FRA through the publication of the draft environmental impact statement and after the final environmental impact statement where firms can advocate a position.

## **10. Public Comments**

While the speaker approached the podium, Mr. Dunn asked if a motion was needed from the Authority concerning Travel Authorizations for the October HSR event in Madrid. Chairman Dudley stated that he would require this prior to signing any vouchers.

Mr. Dunn offered a motion to grant the Chairman authority to sign travel authorizations for October travel. Ms. Eddins seconded the motion and it passed unanimously.

Dr. M. Rodriguez addressed the FHSRA Board regarding magnetic levitation research being performed in Puerto Rico. He introduced Dr. Serrano who provided a brief presentation regarding new Magnetic Levitation Systems under development. Dr. Serrano explained that the new technology utilizes a modular system that concentrates the magnetic flux creating a tremendous increase in the force, which acts in two directions. He explained that it levitates the vehicle as well as maintains it on the track, which is very important for safety, especially at high speeds. He continued to say that it uses no power or electricity to enable the levitation because this new technology is always in a state of equilibrium.

Chairman Dudley asked what propels the train and Dr. Serrano explained that the coils switch polarity, which produces a forward thrust similar to a motor. He continued to explain that this is more economical than previous technologies, more environmentally friendly and is also very safe. Discussion continued and Dr. Serrano thanked the Board for an opportunity to share this technology with them.

## **9. PD&E Consultant Report**

Mr. Howard Newman stated that the preliminary engineering and environmental efforts are moving forward to address the RFP deliverables and the continued development of the EIS. He explained that they are preparing horizontal and vertical plans, developing the cross-sections, reviewing the horizontal and vertical geometry and they are continuing to develop critical cross-sections. He also explained that they are investigating track alignments with regards to how they can get the through track onto the station tracks and he mentioned that it requires coordination with the General Consultant and their station development.

Mr. Newman continued on to say that they are proceeding with conceptual drainage efforts to identify where additional ROW may be required for ponds, particularly in areas beyond the Interstate transportation corridors. He discussed the preliminary structural analysis that's underway including the identification of structural lengths and the potential types of structures. He explained that they are preparing for an FRA meeting next week where they expect to address the spiral transitions into the curves, the impacts into the Interstate, encroachments into the folder and looking at critical cross-sections, particularly at existing bridge crossings over the Interstate.

Mr. Newman stated that the environmental analysis is continuing; however, he explained that additional funding must be identified to initiate some of the required field work and to get some of the needed subconsultants involved.

Mr. Haddad explained that the PD&E consultants are running out of money in their existing task orders to deal with some of the system work, environmental work, and engineering activities in support of the RFP. He then requested authorization from the Board to execute task orders totaling approximately \$1.5 million to proceed forward with their activities over the next three weeks.

Chairman Dudley questioned if this would be for the aerials, and Mr. Haddad replied that this is beyond the aerials and includes engineering, environmental as well as some of the systems work that has to be completed in support of the RFP development. He re-emphasized the importance of this funding authorization as soon as possible.

Mr. Dunn offered this authorization in the form of a motion, which was seconded by Ms. Nodarse. The Board approved the motion without exception.

## **7. General Consultant Report**

Mr. Share began by stating that there are five specific elements to report:

1. Ridership Study – They solicited input from Vendors on the Ridership Process and are still in the data collection mode. He stated that they are not analyzing data yet, but they have completed the highway interviews and collected approximately 7000 survey responses. He stated that the airport access study begins tomorrow.

2. Station Siting Meetings - Meetings are being arranged at potential Station Sites in an effort to scope and understand what station type would be most appropriate at each location and what business deal might be offered by each entity.
3. Engineering Workshops and Meetings – General Consultant staff has been supporting the PD&E process and working with Federal agencies to be sure that they're addressing the various inputs. He also mentioned that they are coordinating and meeting with FRA and the FDOT districts.
4. Update on Miami to Orlando – Mr. Share provided a handout to members and explained that they have developed capital cost estimates for four routes (Florida's Turnpike, I-95, FEC and CSX). He added that they would study the I-95 route in greater detail with consideration for the various technologies being considered.
5. Outreach Plan – Mr. Share explained they are stepping up activity in terms of Public Outreach to educate people about HSR. He stated the effort is beginning with elected officials via the Mid-Year Report, website, brochure, video and marketing plan. It will continue with Press Releases, Media Dates and identification of key State Corridors.

Mr. Haddad asked Mr. Share to explain the corridor width being analyzed on I-95. Mr. Quandel replied that it is between 500 and 1000 feet. Ms. Eddins asked if that meant adjoining properties as well as the highway corridor and Mr. Quandel replied affirmatively. She further commented that it was her understanding that the I-95 corridor simply does not have the physical capacity for an HSR system. Mr. Quandel stated that this is the general path, but it is not intended to fit within the I-95 ROW.

Secretary Barry asked if it is the assumption that this will be grade separated and Mr. Quandel responded that this is likely. Secretary Barry stated that a previous study investigated the costs associated with grade separated track and recommended the staff review the findings. He stated that the trade off of riders vs. dollars might not be worthwhile. Discussion continued

## **8. Staff Director's Report**

### **A. Status Report on Authority's Expenditures**

Mr. Haddad called the Board members attention to the report included under tab 8.a. in the agenda package regarding the Authority's expenditures. Chairman Dudley asked if the FHSRA seemed to be on track and Mr. Haddad replied affirmatively.

### **B. Future Board Meetings Schedule**

Mr. Haddad called the Board members attention to tab 9.B., which lists the future meeting schedule. He mentioned that no location has been determined for October meeting and a brief discussion occurred. Chairman Dudley suggested that all future meetings be noticed for 8:00

a.m. and suggested meeting at the Greater Orlando Aviation Authority again in October. He directed staff to make the necessary arrangements for this.

Chairman Dudley asked for additional comments and hearing no further business, adjourned the meeting at 4:20 p.m.