

**Florida High Speed Rail Authority  
Meeting Minutes  
January 11, 2002  
Broward Convention Center  
Ft. Lauderdale, Florida**

**Call to Order:** Chairman Frederick Dudley called the meeting of the Florida High Speed Rail Authority to order at 9:07 a.m. Members in attendance were: Norm Mansour, Secretary; Lee Chira, Treasurer; Heidi Eddins; Leila Nodarse, P.E.; William Dunn, P.E.; C.C. "Doc" Dockery; and Skip Fowler, Esq. John P. Browning was absent.

**1. Welcome and Introductions:**

Chairman Frederick R. Dudley welcomed all attendees to the High Speed Rail Authority Meeting and introduced John Rodstrum, Broward County Commissioner. Mr. Rodstrum welcomed the members and attendees to Ft. Lauderdale and stated that Broward County is very grateful that transportation options such as high speed rail are being considered.

Chairman Dudley introduced Mr. Ray Sharkey, Commissioner at the Port Canaveral Port Authority who stated that the Port Authority is very supportive of this project. He suggested that he Authority should consider holding one of its future meetings in the Port Canaveral area.

**2. Minutes:**

The minutes of the December 10 meeting held in St. Petersburg were reviewed. Chairman Dudley pointed out some changes offered by Ms. Eddins and Mr. Dunn to the draft minutes sent earlier to the members. These changes were reviewed and discussed by the members. On motion made by Mr. Fowler and seconded by Mr. Dockery, the minutes, as revised, were approved unanimously.

Chairman Dudley continued with the minutes of December 20 and December 28 telephonic meeting. Again some minor changes were identified and upon motion made by Mr. Dunn and seconded by Mr. Fowler, the minutes were approved unanimously as revised.

**3. Old Business:**

**A. Pending Motion on DBOM Procurement Strategy:**

Mr. Haddad suggested that this agenda item be differed until after the presentation planned to take place in the afternoon by the Washington Group on DBOM procurement. The members agreed and this item was postponed till later in the meeting.

**B. Discussion on Ridership Study Needs for the Miami-Orlando Corridor:**

Mr. Dudley asked Mr. Dunn to explain his position regarding the additional planning studies from Orlando to Miami. Mr. Dunn recommended that studies be performed to provide information on the Orlando-Miami corridor for use in the procurement process. Mr. Share stated that if this was to be done at a level of detail similar to the previous Orlando-St. Pete study, the cost would be approximately double that, \$700,000. Mr. Share noted that Mr. Haddad had stated there is additional previous work on this corridor, and also cautioned that funding for this additional study should not interfere with the other programmed work for 2002. After discussion of the level of detail required for this study, agreement was reached to use travel and other monies that are within the existing budgets to fund this study at a level of \$200,000 or less. Mr. Share agreed to work with Mr. Haddad and Mr. Dunn to develop a scope that fit this budget.

**4. Staff Report:****A. Status Report on Authority's Expenditures:**

Chairman Dudley referred to the staff reports, and Mr. Haddad explained that under Tab 4 there is a summary matrix of the current year budget and work completed on all tasks. There are also progress reports from HNTB and Parsons. He added that the table shows most of the dollars have been encumbered except for approximately \$300,000, for which they will need to submit a request to the Governor's office to certify forward these funds by February 1, to prevent losing these funds.

Mr. Chira stated that he received two invoices from HNTB, their contract, a lump sum plus expenses, and an oversight of the PDE, which is cost-plus, with the required back-up, which he finds to be in order. Mr. Chira asked of the Chairman that the timesheets have more detail in terms of the description of the meetings outside of the Authority activity. He added that more detail is required in the expense areas, in terms of purpose and activities taken place. There was discussion about a flight problem which caused extra expenditures. Mr. Chira added that consultants who attend the meetings should register with Mr. Haddad and he will review that with him.

There were no questions on the Treasurer's report. Chairman Dudley asked if formal approval is required on the two billing items which the Treasurer reported. Mr. Haddad responded that it is not.

Mr. Dockery agreed with Mr. Fowler and Mr. Dunn to recommend that Authority consider a reallocation of up to \$200,000 of the unallocated funds towards the Miami study, which should be a sufficient amount. Chairman Dudley suggested that they discuss that in the afternoon session. Chairman Dudley asked Mr. Haddad if they can amend their budget to reallocate funds that are uncommitted to date, and to commit them to a particular task without involving a contract at this time. Mr. Haddad responded that the dollars would not be able to be encumbered until an agreement is executed. He added that money can be taken from staff without change in the budget;

however, the expense and travel money will be more difficult, but could be done through a budget amendment.

### **B. Budget Request for FY 2002/2003:**

Mr. Haddad explained that the budget request was submitted for fiscal year 2002-2003 to the Governor's office for \$7.1M. This includes \$2.6 million in federal funds and \$4.5 million in requested State dollars. The funds will be sufficient to cover the Authority's activities in FY02/03 including continuing the preliminary engineering and preliminary environmental work efforts on the Orlando to Tampa Bay segment and initiating the investment-grade ridership study on the Orlando-Tampa system. Mr. Haddad added that it would be faster to access the federal dollars through a budget amendment to the Governor's office, rather than wait for the 2002/03 budget in July. Chairman Dudley stated that they may not require that additional amount before 1 July. Mr. Haddad stated that the FRA wants to get the monies to the state as soon as possible. Chairman Dudley asked Secretary Barry if there is time to do this before session starts on the 22<sup>nd</sup>. Secretary Barry responded that the Legislative Budget Commission met for the last time prior to session yesterday. Mr. Dockery stated that the Commission would meet again the week of January 14 and could possibly take up a budget amendment request from the Authority. Chairman Dudley suggested that he and Mr. Haddad would contact the Governor's office to seek their advise on what approach is best to get the federal monies in the Authority's budget. There was no objection.

### **C. Status Report on Federal Funding:**

Mr. Haddad provided a status report on Federal funding. He indicated that the Department received a letter from FRA, under Tab 6, which advised of the \$3 million federal earmark for corridor planning for the Florida High Speed Rail Project. The FRA requested a contact entity to work with on developing the scope of work and drafting agreements, which Mr. Haddad has begun.

### **D. Future Meeting Schedule:**

Chairman Dudley stated that it would be advantageous to hold the next meeting in February in Tallahassee as a two-day meeting in order to meet with the Transportation Committees of the House and the Senate. He stated that he will schedule the Legislative appearances to meet the Committee's schedule.

Chairman Dudley recapped the upcoming meeting schedule:

Tuesday, Wednesday, February 5<sup>th</sup> and 6<sup>th</sup> – Tallahassee

Thursday, March 14<sup>th</sup> – Orlando

Thursday, April 4<sup>th</sup> – St. Petersburg, probably at the County Commission in Clearwater

Wednesday, May 8<sup>th</sup> – Tampa

Thursday, June 6<sup>th</sup> - Lakeland

**5. General Consultant Activities:**

Adrian Share of HNTB gave the general consultant presentation.

**A. Review of Technical Report:**

Mr. Share stated the report was issued December 24, 2001. He added that HNTB received comments from Transrapid, which should have been sent to all Authority members and made copies available at the meeting. Chairman Dudley asked that they extend the due date for comments until Tuesday, January 15. The date was extended and accepted by all present. The distribution of this report was decided to be limited to the Governor, the Speaker of the House, and the President of the Senate. Any additional distribution will be as requested only.

Ms. Eddins asked Mr. Share if they have solicited FRA or FHWA on the Technical Report. Mr. Quandel of HNTB responded that the Technical Report has been submitted to FRA and to AMTRAK, but not to FHWA, but they will. Ms. Eddins also asked if they have invited comments from them. Mr. Quandel stated that he has spoken with Mr. Yachmetz about his comments in reference to depreciation and increase in frequencies. He added that he submitted capital and operating costs to FRA the third week of December. Mr. Haddad added that they have arranged for meetings with the FHWA and FRA, one in Tallahassee on January 29 concerning the element of Federal lead agency designation. He added that there is a meeting scheduled in Washington D.C. on January 25, dealing with the rules of particular applicability.

**B. Proposed Draft Legislation:**

Chairman Dudley stated that the Technical Report should be submitted to the Governor, the Speaker, and the President of the Senate and the Chairs of the two Transportation Committees. Mr. Share stated that the Legislation has been made available via email on January 4<sup>th</sup>, and asked if there are any comments. Chairman Dudley stated that they should review the draft and the Legislation.

A discussion on several of the legislation items was held. Specific discussion was held on "preemption" on page 17, expanded powers and duties on pages 11 and 12, "associated development" on page 13, "exclusivity" on page 17, the cities on the Vision Plan on page 18, and on tax incentives.

Mr. Share noted that all comments will be compiled on the legislation. Mr. Beck and Mr. Dudley noted that comments on the legislation would likely need to be revisited once the bill had been discussed in the Legislature, as the legislation as submitted for bill drafting is likely to change significantly during the Session.

During the discussion on the legislation, two guests made appearances. First was Gwen Margolis, who noted she has traveled on the High Speed Rail system in Europe,

and believes this is a worthy project. Also making a brief appearance was Speaker Tom Feeney, who noted he had been briefed on the project and would be watching for the fiscal aspects for the project as it moved forward.

### **B. Prequalification:**

A final discussion on legislation was held as Chairman Dudley asked what the difference is between the Request for Qualifications on Page 21 and the Request for Proposals on Page 22. Mr. Share stated one precedes the other, the RFQ would be issued first, the RFP would be issued when the environmental process is complete and proposals are accepted. Mr. Share explained that one commitment in the Authority's January, 2002 report was to issue a Request for Qualifications early this year.

Mr. Share referred to the handout entitled, "Invitation to Prequalify". He added that they need to decide how many prequalified candidates are involved, for which they suggest six applicants, compared to three or four, which is a short list. It would be up to the proposers to form a team or work independently. Mr. Dunn added that he does not agree with setting a number of applicants, as it may exclude some firms. Mr. Share stated that his concern is that when the Authority issues the RFP to all respondents to the RFQ, they will get as many responses as are shortlisted, which will involve several volumes each. This would make it difficult to properly evaluate large proposals in a short timeframe.

Chairman Dudley suggested that they set the number after they prequalify. Ms. Nodarse added that an applicant may want to see what the minimum number would be. Mr. Dunn suggested that at the RFP level, they should ask the applicants to pay a fee, which will be compensation for the effort involved to review, so as not to burden their budget. Chairman Dudley discussed timing for the bill to be passed, with the Legislative adjournment presently scheduled for 22 March. Mr. Share referred to the key dates on the last page of the RFQ document, where they suggest that the issuance of the prequalification be done in February, and there be a mandatory briefing at which the Authority could present the progress to date to interested parties. Chairman Dudley stated that they can issue an RFQ and an RFP, but they cannot select anyone based on that. Mr. Dockery stated their current authorization for the Authority includes a statement that the Authority can do anything that a corporate entity can do in Florida except incur debt, which means they cannot contract an RFP.

Mr. Share suggested a timeframe in which the RFQ is issued in late February, hold a briefing for all interested parties in March, and based on that, responses to prequalifications are to be provided in May 2002. Chairman Dudley stated that he feels that they should indicate to the Legislature, before they adjourn for the 2002 session in March, how many firms have prequalified, which may determine how much they will fund them before they go further. Chairman Dudley suggested that this document be issued the end of January and request responses by the first week of March. Mr. Share stated that they may be narrowing their field by narrowing the time in which they respond. Chairman Dudley added that the Governor is interested in knowing the level

of interest from the private sector, including prices, by the time the session adjourns. He explained to the Governor that it would be impossible to solicit firm prices at this time.

The Authority broke for lunch and returned at 1:15 p.m.

Chairman Dudley discussed his political concern in obtaining exhibition of interest, and that Mr. Beck suggested that they request a Letter of Interest with the latest unaudited financial statement attached. He added that if you did not respond to the Letter of Interest, you would be allowed to respond to prequalifying.

Mr. Share stated, as Ms. Nodarse suggested before lunch, that if the Authority did an invitation to prequalify and had a mandatory briefing for the industry, we could have all the interested parties sign up and show their interests as either lead contractor, technology vendor, etc. This sign-up sheet could then be attached to a letter to the legislators, demonstrating the interest in the project.

Chairman Dudley requested that they do that as early on as possible as the last day of the schedule session would be the 22<sup>nd</sup> of March. Mr. Share added that he believes it is important to obtain a document to continue with this process of prequalification. Chairman Dudley asked if they should approve the invitation to pre-qualify today.

Mr. Share suggested that they allow comments until January 25<sup>th</sup>, and finalize a document for approval for issuance and to be put on the website. Chairman Dudley suggested the briefing be held no later than the first week of March so when they meet on the 14<sup>th</sup> of March, we would have a list of people interested that could be shared with the Governor and legislators.

Ms. Eddins asked if the document includes a schedule for the RFP. Mr. Share explained that it outlines potential dates in the process. Ms. Eddins stated the need to address the fact that the RFP would be issued based on an unfinished environmental process.

Mr. Share explained, that as part of the RFP, there would be a description of the environmental process so that it is clear that the responses provided by proposers are subject to an environmental clearance process that has not been finalized. He added that they would provide adequate time and provide the best information available.

Ms. Eddins added that they would be getting proposals that may have large contingency amounts and uncertainty not knowing the alternatives on what they are bidding. Mr. Share agreed that the further along they are in the process before issuing an RFP, would reduce the contingency. Another comment on the RFQ related to mandatory attendance at the briefing.

Mr. Dunn stated that the word mandatory suggests that if a member of a team did not make the briefing, they could not be considered a part of a team. Mr. Share explained

that if it is not necessary to include the mandatory requirements, they will delete it. Mr. Share suggested that it could be mandatory for the lead entities only.

Ms. Nodarse suggested that they leave the words as they are, it is in their best interest to leave it mandatory and the people involved will know that need to be present, and a minor role subconsultant knows that it may not be necessary. Mr. Dunn stated that he is concerned about the people who may not have received notice of the meeting who will later be added to a team. It takes several entities to make up a team and when responding to the RFP, we are going to shortlist only those firms that will be allowed to respond. He added that the response to this RFP could cost an applicant half a million dollars. Mr. Dunn added that is someone, not on our shortlist, was prepared to spend that amount of money, we should include them, whether they had attended the briefing or not. Mr. Share and Chairman Dudley agreed.

Mr. Bottcher added that they may have a legal problem trying to preclude someone from doing this mandatory process without having a more definitive proposal before them. He added that when mandatory pre-proposal meetings took place, the RFP would be available and if they are not present, they are precluded from proposing. He does not believe that they can legally be precluded from saying that the original RFP was not what was contemplated at the time of the RFI. Mr. Bottcher added that they should make it clear that they do not consider it mandatory unless they are serious about it.

Ms. Nodarse suggested that they make a motion to require it mandatory for the lead contractor only to attend the pre-proposal meeting. The subcontractors will probably tend to join the lead contractors. The motion was seconded **Who seconded the motion?** and agreed to by all but one **Who was this member?**

Ms. Eddins added that she does not believe they are shortlisting, but anyone who meets their criteria will be on the list of potential bidders for the RFP. Mr. Share agreed. Mr. Dunn asked if copies of the prequalification had been made public, and if not to have Mr. Share provide one.

#### **6. PD&E Consultant:**

Howard Newman of Parsons Transportation described the PD&E effort through December. Work Order Task 1 includes existing documentation review from FOX of the Coast to Coast documents, a public involvement program outline including survey and aerial work, and a scheduling and management approach. He added that they are complete, schedule expired the end of December. He added that they initiated Work Order No. 2 including engineering analysis, environmental impacts and public and agency coordination efforts. The engineering efforts include data collection, contacting all the FDOT districts who have provided insight into what they are proposing within the I-4 corridor and the median. They have met with the three water management districts to develop contacts in regards to water quality drainage permit issues, and they

suggested that DEP should be the leading agency to allow permitting reviews. They have also initiated meeting with CSX to establish their criteria.

PTG stated that the environmental efforts include field support review verifying wetland threatened endangered species and GIS mapping from FOX studies. He added that they are preparing the document for the public agency coordination plan, which will be completed by the end of January and will be provided to the Board members by the GC. The mailing list includes MPO's, cities, counties, technical advisory committees and citizen's actions committees. They have had coordination meetings with FRA and FHWA which will continue, on January 25<sup>th</sup> and 29<sup>th</sup>. The 29<sup>th</sup> meeting will include the role of the lead agency which will impact the advance notification and notice of intent for the PD&E process. PTG added that they will be meeting with various districts as requested.

## **7. Status Report on Executive Staff Proposals:**

Mr. Dudley stated that based on their approved advertisement published in the Florida Administrative weekly, he received three proposals. He stated that unless there is a motion against it, the Authority should defer hiring staff until after the end of the current fiscal year. Mr. Dunn suggested that deferring hiring of staff would free up the funds budgeted for staff in FY 2001/02 and would allow the Authority to redirect these funds to conduct the proposed Miami-Orlando study. Chairman Dudley agreed.

## **8. General Presentations:**

### **A. Innovative Transportation Strategies, Inc. (ITS):**

Mr. Alan Harper, Chairman of the Transportation Summit, Chairman of the Transportation Committee for the Greater Miami Chamber of Commerce, a member of Florida East Coast Industries, Tri-Rail and Expressway Authority and Regional Transportation Organization Board member addressed the Authority on behalf of ITS. He indicated that he is concerned that as a result of the passed Legislation, the first phase of the High Speed Rail effort may be Orlando to Tampa. He added that South Florida would want to be a part of the rail system and not wait until that segment is complete until Miami-Orlando is connected. He has encouraged the creation of a public-private partnership between private enterprise, Tri-Rail, CSX and others to create an interim service that could begin in two years, and cost as little as \$800 to \$900 million for three hour and ten minute service between Miami and Orlando, until they can upgrade to full service to high speed rail.

Mr. Harper added that he has no interest in ownership or involvement other than it is vitally critical for south Florida to be connected in the High Speed Rail system. He added that the September 11 experience showed that over 92 plus of all travelers to Florida come by air, and if there is a slow down there, they need connectivity to Orlando and points north. He added that they will support the team and will support anyone that can produce interim High Speed Rail to do that.

Mr. John Spillman, President of INTS, stated that, according to the Authority's report to the Governor, the earliest possible time for the High Speed Rail to involve Miami would be 2010. He added that to bridge the gap between now and 2010, they have established a consortium of rail passenger professionals, to initiate service in 2003, and expand to expand to regular hourly departures by 2006, using existing technology at 120 mph and existing rights-of-way.

Mr. Wyman stated that their proposed rolling stock speed is 125 mph, the Austin Pacific Surf Liner cars and Rush Sharp locomotives can run at 125 mph, no changes necessary. He added that the signaling is designed for a 125 mph operation being installed today. The track, defined by the Federal Railway Administration, is Class 7, good for 125 mph operation of passenger trains, and with improvements such as adding a second or third track they are providing for the high speed service and future freight service to south Florida. The passenger station and train service will include a system known as Progressive Maintenance.

Mr. Wyman added that they are estimating a cost of somewhat less than a billion dollars of capital investment, which includes about 850 million of capital investment from private or public funding. In terms of creative alternative non-funding public participation, they are considering limiting risk mitigation. He continued to explain a service in the commuter rail avenue, which could be applied to inter-city, in which a public entity would buy seats or schedules and dictate the service necessary for its service area, or municipal speed restrictions or mitigation of grade crossing which do not involve huge outflows of cash from public offers.

Mr. Spillman stated that with project phasing, it is possible to inaugurate service, 2 trains a day, in late fall of 2003. Two round trips, refurbished bi-level equipment, maximum speed 79 mph, with a four hour travel time with an estimated passengers of .2 million a year and with the total revenue between \$7-\$10 million. He added that Phase 2, with inauguration of fall 2004, would include 5 round trips, Phase 3, 8 round trips, speed is the same, but time is reduced slightly, while making infrastructure improvements and doing double-tracking. Phase 4, fall 2006, 15 round trips a day, all new bi-level equipment, maximum speed 125 mph and about a 3-hour travel time. This means that every hour on the hour, the train leaves Miami and Orlando, 15 round trips a day and a 3-hour trip time. He added that if they achieve this in a reliable manner, he believes they have helped fill the interim need. Next to last we have the mature Phase 4 which is when all interim infrastructure improvement are in place, and with almost 3 million passenger and year, generating between \$200-\$220 million a year, which is a 3-hour trip. He believes this should be mature by 2010, and they will have until 2015 to make a decision as to whether the people of Florida are satisfied with this segment of Florida's High Speed Rail system, or is it time to start elevating the system, making the system electrified and connecting it with the Tampa version of the system.

Mr. Spillman explained their 12-month objectives, to complete their final feasibility analysis, investment grade revenue and cost analysis, and analysis of non-transportation revenue. He added that they cannot discuss their business plan in terms of public/private partnership at this time. He added that they want endorsement from

the FHSR Authority and the Department to make HSR a reality here in Florida. He asked for questions.

Chairman Dudley asked, with them moving forward with a standard train service, what would they do when someone wants to build something faster. Mr. Spillman stated that the key word is interim; they will have service going as the competition's planning progresses, which may be 2006, when they are doing 125 mph. They may want to consider interconnecting and how to deal with the gray crossings in South Florida which include density. Chairman Dudley asked what would happen if they or the legislature determine that what they really need between Miami and Orlando is a 200 mph train and they proceed to build that.

Mr. Spillman stated this equipment is highly portable and could be moved to your next developmental service, whether it be Orlando to Jacksonville, Jacksonville/Tallahassee, Jacksonville/ Atlanta. They would help refine capacity problems.

Ms. Eddins referred to representation in their meeting with respect to CSX's position about allowing trains at this operating speed. She asked, at what phase have you expended \$850 million. Mr. Spillman responded, Phase 4, the final phase of their plan.

Ms. Eddins asked if they looked at this concept in the Orlando to Tampa/St. Pete marketplace too or it is just Orlando to Miami. Mr. Spillman responded that no, it is a response to Dave Rosh and Allen that they should do something in south Florida where the demand, not only for normal visitors but business people, will escalate.

Ms. Eddins asked how they developed the source of information on your ridership numbers. Mr. Spillman responded that they used some of the numbers proposed in the FDOT and AMTRAK vision plan; some national travel service and published projections from 1995 to 1999; and some of the formulae and good marketing sense they have had over the years as 35 years in the rail passenger business.

Mr. Mansour mentioned their reference to State and Federal funding, and asked what their anticipation is with respect to the dollar amounts that might be available to them.

Mr. Spillman stated that they would enter into an agreement with the State with how many trains per day and how many seats at what schedule, and if they provide those, they will receive X number of dollars. The State assumes liability for the market demand, and INTS would raise the money, build the system, train the people. Or the State may not want to take liability but we will give us 50% of the capital cost to do this. He added that they would take total liability for the ridership and take the capital cost money up front.

## **B. Washington Group:**

Chairman Dudley then introduced Mr. Ben Redd and Mr. Ron Chance with the Washington Group. Mr. Chance introduced William Real, executive in charge of Florida

Operations and Ben Redd, Vice President of Project Development, who is associated with and on the Board of Directors of the first DBOM contractor to design-build, operate and maintain a transit system in the United States.

Mr. Ben Redd stated if they want to meet schedules and arrive at the best financing program with the least cost to the State, the need to look at alternative procurement methods, which involves a project phasing system. He added that they should not be considering less than 125-150 mph trains, and choose the technology and vehicle supplier. He does not believe they should do this as part of the procurement. He added that they could choose the DBOM engineer constructor, choose the vehicle supplier and integrate as part of the overall program definition how to phase them. If the two are run together up front, they run the risk of not getting the best combination of the DBOM contractor and the vehicle supplier. He added that by picking the technology ahead of time, they will constrain their choices, to continue on with light rail or other, and it may in fact add to the cost of the program.

Mr. Redd explained that with the alternative project delivery, there is a much shorter schedule, much more efficient operating and much cheaper system. He added that he is in support of the DBOM with financial support, which is being done at Terminal 6 in O'Hare Airport. He explained that they would still need an environmental consultant in order to meet NEPA, but they could then include the program manager, the engineer and the prime contractor all in one entity and bid it out locally so it is not just one person getting most of the work. That same effort can continue to do studies on ridership, conceptual, technology and work with you on the finance and the funding plan. Mr. Redd continued that if you want somebody to work with you in the public/private, you can convert that on a phase basis in a lump sum to transfer some of that risk to the contractor. He referred to his slides, one of progressive design build that is constrained only by the funding and environmental process.

Mr. Redd continued, naming rights, First Union Center, in Philadelphia, privatization of parking garages is another part of public/private. He is asking The County of Union to jointly develop with them a parking structure as part of another project, which will become either collateral part of the project or income. Other renovations are to combine car rentals with these. You can start using revenues from other parts of the State to support other transit projects. Loan guarantees are actually a lower than market rate private financing. Mr. Redd stated that they won a procurement to extend the Washington Metro, Dulles International Airport, which is over \$3 billion dollars and may or may not become this Country's first legitimate bus rapid transit system. He continued to explain county and state projects where there may be no Federal funding required.

He asked for questions, and Mr. Dunn stated that he wanted to explore the progressive DBOM & F further, that some would view as a turnkey project that is bid and receives responses from entities on what they will charge, or is it splitting it into its 5 elements. Mr. Redd stated that is just the opposite, as part of their RFQ, they would select the contractor on basis of qualifications, and they would add resources in terms of partners.

This same entity can assist you in the studies, do the design, support the NEPA process, construct it and operate the facility. Mr. Dunn asked if this would be service for a fee arrangement. Mr. Redd stated that it could begin that way until they define what they want to do. That is, they do a segregated subcontract approach with local contractors, it will look like a CM at risk and the company will be a prime contractor and would hold paper on those products and assume risk of the subcontracts. Mr. Dunn added with the DBOM contract serving in the role of the program manager for the design, not self-performing, how can they keep Florida consultants and contractors involved in the project as in DOT work, where everyone has the opportunity to win one of the line segments.

Mr. Redd responded that most companies do not have unlimited resources, they will have to augment them, which they will do with local engineers and contractors. He added that they do not want to go through a one-by-one procurement process to bid out the design packages. Mr. Dunn stated that they would like to avoid having the first phase of the contract given to an entity that may or may not be a Florida firm and give the perception to all the designers and contractors in Florida, that the billion dollar contract is gone. Mr. Redd suggested that they create a contract requirement for that, that a certain percent of the engineering products have to be provided by a local Florida firm.

Ms. Eddins asked in reference to the possible financing alternatives, is it correct that they should not expect significant private capital funding, they may find 50% Federal funding and should come up with the 50% state match through tax alternatives. Mr. Redd stated that the private contributions will not offset the state amount totally. Ms. Eddins asked what he was referring to with rate based fares. Mr. Redd explained that they will recover their costs of operating their system, as in an airline, where they charge a fee for getting from one place to another. He added that if the state of Florida provides the infrastructure for High Speed Rail, he would like to explore the concept that they can come close to privatizing a portion of it. He added that this does not include the vehicles, the debt could be retired on the vehicle and pay operating costs with some fare based structure. Ms. Eddins asked what he is comparing his rate to in the Tampa to Orlando. Mr. Redd stated it is a concept they could use.

Mr. Dunn asked if Mr. Redd would agree that attempting to hire a DBOM contractor at an early stage in the design process where the PD&E work is nearly complete on the Tampa to Orlando phase, when looking for a turnkey contractor, the price would involve contingencies because there are no plans. Mr. Redd responded that it would, even with a tightly controlled bid, they may get the contingency down to 6% or up to 15%. He added it is a function of the amount of engineering and the contractor's ability to know the quantities. Mr. Dunn stated that in a construction management at risk project they wait until plans are 50% complete, before making a not-to-exceed price commitment, which includes a 20% contingency to allow for changes that take place in the remaining 50% of the design process. He added that when asking for a fixed price early in the design process, the price will include high contingency, maybe more than 25%.

Mr. Redd stated that in a progressive design/build, you do 95% of the engineering for the package before bidding, and you have a tight bid from the contractor with little contingency, which spreads the risk giving the benefit to the entity buying the work. Mr. Dunn added that to arrive at the actual price without the contingencies built into it, you need to do the engineering.

Chairman Dudley thanked the Washington group and introduced their last presentation from Dongil, the Korea group. Before they started, Chairman Dudley stated that they have pending motion on DBOM and asked if they wanted to take action on it. Mr. Dunn stated that the motion was to ask for an additional half million dollars to be added to the budget, and there has been discussion about taking \$200,000 out of their existing travel and staff money. He added that he is in favor of this approach and withdrawing the motion. Mr. Dunn also proposed that they decide not to retain an Executive Director during this fiscal year, and take those funds, as well as \$100,000 from the travel budget, and apply them to the additional ridership study for extending the route to Miami. Chairman Dudley asked when he thought they would need to start the additional work, and could he ask Mr. Share and Mr. Haddad to draft a work order on performing additional ridership work for the Orlando-Miami corridor to bring to the next meeting for approval. Mr. Share stated that it is additional documentation on the Miami to Orlando route. Chairman Dudley stated that they leave the motion pending, it was seconded by Ms. Eddins, and it will be deferred to the next meeting.

### **C. Dongil (Korean Group):**

Kathy Beck introduced the team stating that Mr. Lee from Dongil was scheduled to appear, but was unable to come, so in his place is Mr. Hahn who is an emissary from separate organizations, Korea Railroad Technical Corporation, KRTC, which is a public, private partnership dealing with rail; the Korea Train Express High Speed Rail Construction Authority, known as KTX, which is a governmental entity dealing with rail; Dongil, the design engineer on High Speed Rail in Korea; and he has come directly from the President of South Korea. She added that Korea extends their regards and wish to extend their technology, and as a result, they have a tape to present.

Mr. Lee explained the tape describing Korea's High Speed Rail which has evolved into a main artery between continents, and in the center is the Korea Railroad Technical Corporation. KRTC was developed as a non-profit organization in 1965, developing and modernizing railroad technology. They have contributed to the improvement of Korean railroad technology by developing its own technologies with a half century of its own experience. It was authorized by the Ministry of Transportation of Korea in 1965, registered to the ministry of Science and Technology for the Professional Consulting Service in 1974, and registered to the ministry of Construction towards Professional Supervising to Consulting Service in 1994, and designated as a laboratory and testing institution in 1997. KRTC has obtained ISO 9001 and KSA 9001 certificate, and has signed technical cooperation agreements with Japan, UK, Germany and the US, participating in design and consulting. They received the industrial prize by the President of Korea and official commendation by the Prime Minister of Korea.

KRTC is a leader in the full course of railroad construction, establishing a master plan after feasibility studies and examining economical efficiency. Upon completion of the work, safety and other matters are examined through test runs, and the railroad service begins. A master plan is produced based on the long-term master and urban plan and consideration of socioeconomic conditions. The operation methods, design speed of the train, proper number of cars and railroad timetables simulated, and any obstacles on the expected route or any public grievances are examined in site surveys.

After the master plan is established and received, the railroad line and location of the railroad stations are reviewed in the context of environment, traffic conditions, cultural property protection and any possible public grievances. After the basic design, a detailed design will be performed for the development of construction drawings such as railroad track, traffic control planning, drawings of railroad stations and drain systems, based on detailed field surveys on soil conditions, contours, and existing local housing. Also considered are effects on the social environment, national economy, traffic conditions, and the project characteristics about technology and construction costs.

A powerful triple breaking system and solid rolled wheels are the result of cutting-edge technology. The dual system makes possible safe operation during power failures. The centralized traffic control monitors and controls all the status of the train and the point in place. The automatic train control controls the speed of the train. The KTX construction will bring historical progress to advanced technology of the nation and have the chance to be involved in overseas High Speed Rail projects. The speed of KTX is 300 km per hour.

At the conclusion of the tapes, KTX asked if there are technical questions, they be submitted in writing and they will respond directly to them. Mr. Hahn stated that they have been testing for two years. Chairman Dudley asked how much of their track is in service at the present time, and at how many km. Mr. Hahn responded 80%, and Ms. Beck stated 320 km at 220 mph. Chairman Dudley asked what kind of ridership they have, what annual number of passengers monthly. Mr. Hahn responded in one day, they have 521,000. If they look at the data, they cut 30,000 automobiles on the highway and about 3,000 buses. Therefore, the normal train takes 250,000 to 300,000 per day, but they can add more passengers to this train, thus 521,000 per day. Chairman Dudley asked what it costs in American dollars to take the train that distance, approximately 550 miles. Mr. Hahn stated that it should cost about \$20.00 for a trip.

Mr. Cho invited the Authority to visit Korea and see their system. Chairman Dudley thanked the Koreans for joining them.

Adjournment:

Chairman Dudley adjourned the meeting at 4:00pm.