

Florida High Speed Rail Authority
Meeting Minutes
July 11, 2002
City of Lakeland Council Chambers
228 S. Massachusetts Avenue, Lakeland, Florida

Call to Order: Chairman Frederick Dudley called the meeting of the Florida High Speed Rail Authority (FHSRA) to Order at 8:20 a.m. Members in attendance were: Norm Mansour, Secretary; Lee Chira, Treasurer (arrived mid-morning); Heidi Eddins; C.C. “Doc” Dockery; William Dunn, P.E.; Skip Fowler, Esq.; and Leila Nodarse, P.E. John P. Browning, Jr., Vice Chairman and Transportation Secretary Tom Barry were absent.

1. Welcome and Introductions:

Chairman Dudley welcomed all attendees and then recognized Florida Representative Dennis Ross. Representative Ross addressed the Board briefly regarding the evolution of the FHSRA and of the legislation granting powers to the Authority. He commented on his previous and continued support for High Speed Rail (HSR) and for the hard work being undertaken by the FHSRA Board. Chairman Dudley recognized the Representative for his successful efforts to secure continued funding in support of the Authority and thanked him for his hard work and dedication.

Chairman Dudley then recognized Senator Sebesta. Senator Sebesta greeted the Board members and recounted a recent meeting he had with Governor Bush regarding HSR. In this meeting, Senator Sebesta said that he discussed the efforts of the Authority and requested that the Governor express his support publicly for HSR in Florida, with a primary emphasis on private investment dollars. Senator Sebesta stated that the Governor agreed to his request and made a statement of support immediately following their meeting. Senator Sebesta also encouraged the FHSRA to be more diligent about informing the public of their efforts. He suggested issuing a press release immediately following each meeting to promote and explain the progress made by the Authority. Chairman Dudley recognized Senator Sebesta for regularly attending the FHSRA meetings and thanked him for his support and hard work as the Chair of the Senate Transportation Committee.

Chairman Dudley went on to recognize other members of the audience including City of Lakeland Mayor Buddy Fletcher, City Commissioner Field, Malcolm Kirschenbaum, Jerry Wilson the House candidate for District 34 and Steve Polzin from the Center for Urban Transportation Research. Mr. Dockery expressed gratitude to the Central Florida Development Commission on behalf of the FHSRA Board for providing lunch and Chairman Dudley invited the audience to join the Board for open discussions during the luncheon.

2. Meeting Minutes from June 6, 2002:

The minutes from the previous meeting, held on June 6, 2002 were reviewed. Chairman Dudley questioned whether the minutes contained a reference to Mr. Dockery's agreement to work with HNTB in preparing the draft Request for Proposal (RFP) for this meeting. Mr. Share pointed out that remarks regarding this topic were included on page 9 of the draft meeting minutes. On a motion made by Mr. Fowler and seconded by Ms. Nodarse, the meeting minutes were approved unanimously and without correction.

3. Old Business:

A. Authority's Mid-Year Report and Brochure

Mr. Nazih Haddad directed the Board members' attention to tab 3.a, which included a draft of the FHSRA's Mid-Year Report and HSR Brochure. Mr. Haddad reminded the Board that these items were presented for review at the last FHSRA meeting and stated that they have continued to be developed as educational tools for political candidates registered in the Florida elections. He went on to say that the documents will be mailed to all registered candidates as well as the existing Congressional Delegation sometime after July 26, 2002 (the deadline for registration). Chairman Dudley asked the Board members to review these items. He further requested that Mr. Haddad add his telephone number to the brochure and to also recognize the FHSRA legal counsel as part of the assigned staff.

Mr. Mansour commented that he recently discussed HSR with a political candidate. Mr. Mansour explained that the candidate had recently attended a fundraiser that included a seminar regarding major issues and HSR was not discussed. He went on to say that given the impact of this project, he was surprised to learn that and commented that this brochure is much needed. Chairman Dudley acknowledged that it is important to keep the candidates informed, and he suggested that the FHSRA make a request to Senator Jim King and to Representative Johnnie Byrd to have a spokesperson address newly elected officials during the incoming orientation that is provided for new legislators.

Ms. Eddins questioned the intent of the brochure and indicated that it appears to be promotional in nature, which is contrary to the neutral role of the Board. Chairman Dudley commented that the brochure seemed to be based entirely on facts and indicated that he views it as an educational tool rather than a promotional one. He asked Ms. Eddins to specify the sections that she thinks are slanted.

Ms. Eddins stated that she could not recall seeing a June 2002 Economic Impact Assessment Study that states the benefits of HSR as referenced in the brochure. She went on to say that the brochure states as fact that the system will be built between 5 largest urban areas; however, there is no financial commitment at the present time to ensure that any portion of the system will be built. Ms. Eddins went on to read a sentence from the brochure that states, "greater mobility is something people want and something people

need.” Mr. Dockery commented that recent legislation, HB 261, has delegated to the Authority the responsibility to plan, design, build, own and manage a high speed rail system. He went on to say that powers were expressly given to the FHSRA to implement HSR in the state and that the law clearly expands their role beyond that of an information gathering body alone. Mr. Dockery went on to say that there was considerable debate in 2001 regarding whether they were going to create a study commission or an action authority, and the decision was made at that time for an action authority. Discussion continued.

Chairman Dudley responded to Ms. Eddins’ comments stating that the reference in the brochure to the 5 urban areas says, “as stated in the voter approved constitutional amendment, Florida’s system will connect...” He stated that they are merely referencing the language from the amendment. He read from other sections of the brochure demonstrating that they are all stating fact.

Ms. Eddins re-stated that she finds the brochure to be very promotional and then pointed to the inclusion of ridership information. She stated that the ridership studies are currently underway and the inclusion of other information troubles her. She emphasized her concern that this body is promoting a system that is not funded in any way at this point. Chairman Dudley reasserted his confidence that only factual information is contained in the brochure.

Mr. Dockery again cited legislation that states, “the public use of HSR must be encouraged and assured in order to achieve the public purpose and objectives set forward in this act...” He stated that this recent legislation clearly states that they are to encourage the use of HSR.

Chairman Dudley suggested that it would be appropriate to add a sentence clearly stating that the actual construction of HSR is subject to future legislative appropriations. Mr. Fowler stated that this is already included on the back page. Ms. Eddins stated that there is no caveat included to suggest that funding may not be achieved. Chairman Dudley directed staff to add a text box to the financial section stating that “any construction or operation of a HSR in Florida will require funding approval by the Florida legislature.”

Mr. Dunn made a favorable statement regarding the Economic Impact Assessment Study; however, he added that the source of this information should be cited. Mr. Haddad replied that this was actually a compilation of information from several sources rather than just one. Chairman Dudley commented that the current wording appears to indicate a single source and said this should be changed to reflect that.

Mr. Dockery stated that there is a single document that was prepared by AECOM approximately one year ago for the legislature that includes economic information that might be referenced here. Chairman Dudley stated that he is not disputing the data itself, but rather the wording regarding the sources. Discussion continued and Mr. Dockery commented that he is very comfortable with the information included in this brochure. Chairman Dudley directed staff to update the brochure to include a reference to multiple

sources. Mr. Dunn added that these sources should also be listed on the FHSRA web site so that they are easily accessible to anyone questioning the figures. Mr. Haddad replied that these sources are currently listed and are available on the web site. Chairman Dudley suggested that the brochure reflect that. He added that the Authority could revisit this topic later in the day if any member wishes to further discuss the information being presented.

Mr. Haddad briefly reminded the Board members about the new FHSRA web site located on the Internet at <http://www.floridahighspeedrail.org>. He encouraged members to review this site and provide comments regarding the format and content.

B. Authority's Financial Auditor

Chairman Dudley provided some background regarding this topic; however, discussion was delayed until the arrival of FHSRA Treasurer Lee Chira.

C. Eurorail Speed Conference Registration and Hotel Information

Mr. Haddad directed attention to the information included under tab 3.c regarding the Eurorail Speed conference scheduled for October 2002. He explained that this is an international HSR conference that is held once every four years.

Mr. Haddad briefly discussed the Strategic Planning Retreat being planned for September 5 & 6 at the Mission Inn at Howey-in-the-Hills, Florida. He stated that the Strategic Planning session would begin at 8:00 a.m. on September 5, 2002 and would be completed at noon the following day. He further stated that the regular meeting of the FHSRA would be held in the afternoon of September 6, 2002.

Mr. Haddad reviewed the tentative agenda including:

1. Presentations from HSR industry representatives regarding system implementation and operations;
2. Discussions with potential transportation service providers that currently provide competitive or complimentary travel services;
3. Presentations from political staffers and financial experts regarding funding issues; and
4. Management experts and leaders from various public and private entities that can discuss organizational concerns and experiences.

Chairman Dudley also suggested that it would be appropriate to invite representatives from CSX and FEC. He also stated that they should invite Senator Sebesta and Representative David Russel along with their respective staff directors to participate in the session.

Mr. Mansour suggested that the Authority also invite a representative from the High Speed Ground Transportation Association to present and discuss their action plan and potential involvement in the promotion of HSR in Florida. Ms. Nodarse also suggested

that the Strategic Planning Retreat be discussed in greater detail in the Legislative Report given that more detail is known at this point. Chairman Dudley directed staff to do so.

4. Draft Request for Proposal:

Chairman Dudley requested postponing discussion of the draft RFP until later in the meeting and moving directly to agenda item 5 at this point.

5. General Consultant (HNTB) June Progress Report:

Mr. Share began by explaining that the General Consultant (GC) has attempted to initiate contact with local entities for the purposes of discussing the details surrounding potential station locations; however, they have had limited success in arranging actual meetings with many of the key participants. Mr. Share requested the support of the FHSRA Chairman and Board members in encouraging responses from these participants. Mr. Mansour suggested that HNTB staff share this information with board members as this effort progresses and allow them to facilitate the process. Chairman Dudley agreed that the Authority members might be able to lend positive assistance in this effort.

Mr. Share went on to mention that two (2) additional task orders have been submitted that will be necessary in supporting the timely completion of the PD&E and ridership work underway. Mr. Haddad commented that these would be discussed later in the meeting.

Mr. Share also commented on the increased efforts to enhance the persona of the FHSRA, including not only the web site and the brochure, but also a public service video covering HSR. He continued on to say that the ridership survey began that morning in the Lakeland area and then turned the presentation over to Tom Biggs.

Mr. Biggs stated that there has been a great deal of activity regarding the investment grade ridership studies since the work was authorized. He explained that the Steering Committee has been organized including members from Amtrak. In addition, he said, a Peer Panel has been formed which is headed up by CUTR. Mr. Biggs explained that the group includes university professors, representatives from the investment banking community and others to review the survey instruments and methodology. He further explained that the Peer Panel completed a review of the first survey, which is underway at the present time.

Mr. Biggs detailed the Lakeland area survey, which includes collecting data at four (4) locations on I-4 that serve traffic between Lakeland and Tampa and one interstate survey on the mainline between Tampa and Orlando. He stated that the work should be completed within a few weeks.

Chairman Dudley asked Mr. Biggs to briefly explain the survey content. Mr. Biggs responded that the survey is basically designed to collect two types of data: 1) origin and

destination information; and 2) stated preferences regarding the travelers' willingness to ride HSR at various price levels. Mr. Haddad added that the origin and destination questions will allow the analysts to gauge the total market among Orlando, Lakeland and Tampa and the stated preference survey will allow analysts to determine the preferences of travelers and percent of the market that will use the system.

Mr. Biggs explained that additional surveys would be completed at the Orlando International Airport in August. Chairman Dudley asked Mr. Biggs if they are fifty percent (50%) complete with the task order at this point and Mr. Biggs responded affirmatively. Ms. Nodarse asked about the next meeting date for the Steering Committee and Mr. Biggs explained that the next teleconference would be held on Wednesday, July 17, 2002 at 10:00 a.m. Ms. Eddins requested a copy of the survey questions and Mr. Biggs stated that he would have them available prior to the end of the meeting.

Mr. Biggs was then joined by Charlie Quandel to present information regarding the potential HSR corridors between Orlando and Miami (a large display was available for review). Mr. Quandel described the corridors which included a route primarily following Florida's Turnpike, another following along I-95, and a third corridor identified as the Holopaw Cutoff traversing through open land between the other two. He explained that they are currently investigating the capital cost estimates for each alternative as well as developing "track files" for each potential technology that may be utilized within the corridors.

Chairman Dudley questioned the location of Florida's Turnpike in the southern portion of the display and requested that it be emphasized to create better clarity. Mr. Biggs replied that they would do so.

Mr. Haddad requested that Mr. Quandel explain the considerations for using the existing CSX rail corridor. Mr. Quandel explained that a track file had been developed; however, the corridor revealed significant obstacles in the northern section of the route.

Mr. Dunn commented that an obvious omission from the proposed routes is the existing FEC rail corridor along the coast. Mr. Dunn explained that he questioned this previously and was told that the route was omitted due the anticipated costs associated with elevating the track through urban areas. He went on to state that the location relative to populated areas also increases the potential ridership figures and he urged that it also be considered. Chairman Dudley stated that he agrees and believes that building elevated portions of track is going to be inevitable in almost every scenario.

Ms. Eddins commented that the FEC corridor between Jupiter and Miami is being studied for its potential as a transit route. She added that there is a newly formed Tri-County Transportation Authority that is involved in making these considerations and they should be consulted during this research. Chairman Dudley replied that this could perhaps provide a link for HSR to service the area.

Mr. Dunn added that the FEC corridor provides a straight route, which is a very attractive feature for HSR. Some discussion occurred regarding the ownership of the CSX rail lines in southern Florida. Ms. Eddins stated that the DOT owns the rail, Tri-Rail operates on the track, and operations are close to running at twenty (20) minute intervals. Mr. Quandel commented that it would be more reasonable to include the FEC route rather than the CSX route, given the problems identified in the northern section of the corridor.

Mr. Dunn stated that each system should be reviewed with regards to the impact it will have on the ridership of the adjacent or connecting systems such as Tri-Rail. Senator Sebesta added that Miami International Airport is currently developing plans for an intermodal center. He continued to say that he believes that it is essential to consider the impacts of any HSR alignment to the Tri-Rail system. Mr. Dunn stated that there might very well be positive impacts for various systems to operate side-by-side, acting as feeder routes for passengers. Given this, he emphasized the importance of reviewing the impacts between various transportation systems and HSR in several locations including the Orlando area. Mr. Dunn stated that there is a potential for a symbiotic relationship that would provide comfort to other providers such as Tri-Rail.

Mr. Share reminded the Authority that the Strategic Planning Retreat includes a session on potential partners and competitors, and Tri-Rail can be considered during these discussions. Chairman Dudley replied that they are clearly expected to be invited to participate in the Retreat and that this may provide a good forum with which to begin a dialogue with Tri-Rail.

Mr. Haddad stated that the use of the rail corridor in south Florida should be a part of the considerations at this point in time. He commented that the south Florida rail corridor is owned by the State and was originally purchased for the purpose of supporting multiple uses. One of the reasons provided to support the purchase of this corridor, he stated, was for future operations of HSR within the corridor. Mr. Haddad added that several operators currently utilize the corridor, including Tri-Rail, Amtrak and CSX. Mr. Quandel replied that in future considerations, they will review the three alternatives presented as well as factor in the FEC and CSX segments discussed.

6. Staff Director's Report:

A. Revised Two-Year Budget

Mr. Haddad directed the Board members' attention to the budget revisions included under tab 6.a. He explained that the revised budget was reviewed previously, but required a few minor changes. He stated that it is simply being presented as an informational item. Mr. Haddad called attention to a second table that presents information regarding the new State funds that need to be allocated by the Authority. Mr. Haddad recommended allocating \$5,623,905 of the funds to Consultant Services and \$140,000 for Travel and Other Expenses. Chairman Dudley stated that some funding is allocated to cover Auditing services, which have not yet been discussed by the Authority.

He then recognized the arrival of FHSRA Treasurer Lee Chira and suggested returning to the agenda item on that topic.

3. Old Business:

B. Authority's Financial Auditor

Mr. Chira provided some background on recent activities including advertising for the auditing services and an initial screening of applicants. He stated that the initial round of selections narrowed the choices to four firms. Mr. Chira and Mr. Haddad reviewed all pertinent information on the firms and invited two firms, Deloitte & Touché and Ernst & Young, for a detailed interview. Based on the results of the interview and the cost estimates provided, Mr. Chira recommended the selection of Ernst & Young. He further stated that it is very difficult for a firm to provide a solid cost estimate in the current environment; however, a general figure has been provided for the purpose of allocating funds in the FHSRA budget. He further detailed that the audit will follow the newly developed national accounting rules and would be for a single year only.

Mr. Chira offered a motion to select Ernst & Young as the financial auditor for the FHSRA and Mr. Dunn seconded the motion.

Mr. Mansour asked for a general range of the accounting estimates provided. Mr. Chira replied that the estimates ranged from \$10,000 to \$40,000. Mr. Chira went on to discuss the extensive experience exhibited by the final two firms considered, and stated that both firms are well qualified to do the work. Chairman Dudley questioned whether the recommendation would include a "not to exceed" limit. Mr. Chira stated that he would not recommend this given that the firms are guided by national accounting standards and procedures that are well defined.

Hearing no further discussion, the FHSRA Board unanimously approved the selection of Ernst & Young as the independent financial auditor for the FHSRA.

6. Staff Director's Report:

A. Revised Two-Year Budget (continued)

Mr. Haddad explained that \$40,000 is in the current budget to complete auditing work in the next two quarters, and an additional \$40,000 is budgeted for the third and fourth quarters including work by the new auditing firm. Mr. Haddad further explained the funding allocated to Consultant Services is merely an estimate of expected activity. He stated that this does not commit the expenditures of any funding, but rather adjusts the maximum allowable expenditures over time. Mr. Haddad reminded the Authority that funds are only spent with the issuance of a task order for specific work.

Mr. Chira stated that the budget reflects some funding for additional FHSRA staff; however, the Authority has not currently committed to hiring support staff at this point in time. Chairman Dudley questioned where this was reflected and Mr. Haddad replied that it is included under the Consultant Services section listed as "other." Discussion continued regarding various aspects of the proposed allocation of funding in the FHSRA budget with regards to travel expenses. Mr. Dunn suggested that the Authority plan to take the technology tour sometime between January and June. This way he said the Authority will have received responses to the RFP and will be better able to identify the technologies that it would like to see first hand.

On a motion by Mr. Dockery and seconded by Mr. Chira, the FHSRA Board unanimously approved the budget allocations for FY 2002/2003 as shown under tab 6.a in the agenda.

On a second motion offered by Mr. Chira and seconded by Mr. Mansour the Authority unanimously approved amending the GPC contract to include the proposed funding allocations.

Mr. Fowler notified the Authority of a potential conflict of interest and excused himself from partaking in the vote on this topic. He explained that his firm has performed unrelated services for HNTB and he would prefer to abstain from voting at this time. Mr. Botcher stated that he would provide the appropriate documentation for this action.

B. Authority's Expenditures

Mr. Haddad briefly reviewed the expenditures outlined in tab 6.b of the handout and asked the Authority for questions or comments on the topic. Minor discussion occurred.

C. HNTB Task Order #4 – Aerial Survey and Mapping Tampa – Orlando

Mr. Haddad called the Board members' attention to tab 6.c, and explained that this task order was approved at the previous FHSRA meeting. He commented that it has been provided here as an informational item for the Authority.

D. PD&E Task Order #5 – Geotechnical Testing Tampa to Orlando Corridor

Mr. Haddad called the Board members attention to tab 6.d, and explained that this task order was approved at the previous FHSRA meeting. He commented that Ms. Nodarse was instrumental in developing this task order which is provided here as an informational item for the Authority.

Mr. Haddad then introduced the Authority to three (3) new task orders that are being proposed to authorize work as follows:

- 1) Task Order #7 – Conduct PD&E Oversight Activities (\$399,498). This continues work authorized under a previous task order that expired in June;
- 2) Task Order #8 – Participate in Ridership Peer Review (\$109,535). This new task order authorizes participation in the Peer Panel and ridership work; and
- 3) Task Order #9 – General Consultant Support Services (\$615,825). This task order funds general staff support for meeting preparation, public involvement efforts, and other miscellaneous tasks.

On a motion by Mr. Dockery and seconded by Mr. Dunn, the FHSRA voted unanimously to approve the three (3) task orders as requested. Mr. Fowler excused himself from the vote for reasons stated previously.

At this point, Mr. Chira requested reconsideration of a motion offered previously to select Ernst & Young as the auditor for the FHSRA. The Board agreed to the request without exception. Mr. Chira explained that it would be advantageous for the Board to approve a ranked selection for auditing services with Ernst & Young as the top ranked firm and Deloitte & Touché ranked second.

On a motion by Mr. Chira and seconded by Mr. Dunn, the FHSRA unanimously approved a ranked selection of auditing firms to be considered during contract negotiations including Ernst & Young as the top ranked firm and Deloitte & Touché ranked second.

E. Future Board Meetings Schedule

Mr. Haddad briefly reviewed the upcoming meeting schedule provided in the agenda package. He pointed out that the next meeting would be held on August 13, 2002 at the Orlando International Airport. Mr. Mansour stated that he would be participating via teleconference from the west coast and therefore would request that the meeting begin at 10:00 a.m. This was approved without exception.

Discussion continued and the Authority determined the following:

- October 3, 2002 – Orlando Area
- September 5 & 6, 2002 – Strategic Planning Retreat & Standard FHSRA Meeting,
Howey-in-the-Hills
- November 7, 2002 – Miami
- December 5, 2002 – Tallahassee (date TBD)

Additional discussion occurred regarding potential locations, however no specific determinations were identified. Mr. Chira further recommended inviting the local area Congressional Delegation to future meetings as a standard policy.

4. Draft Request for Proposals (RFP):

Chairman Dudley began the discussion by stating that a draft RFP was originally developed to help lay the groundwork for this effort. He continued by explaining that Mr. Dockery has worked with the General Consultant (GC) to further refine the document. The draft RFP including the identifying the changes recently incorporated was distributed to the Board members as well as the audience. Chairman Dudley went to state that the GC is not intended to advocate any specific content of this RFP for the Authority. He strongly encouraged all members to carefully review the RFP and provide recommendations regarding the wording and content included within the document.

Chairman Dudley further reminded the Board that this is a two-month review process, which gives time to consider all recommendations. Mr. Share stated that the deadline for comments for this version is actually considered to be August 1, 2002 with issuance of the RFP in October.

Mr. Share began by recognizing all contributors to the development of this draft including HNTB staff, John Bottcher, John Beck, Mr. Dockery and Mr. Haddad. He stated that additional comments have been received by FRA and will be presented by Mr. Quandel separately. Chairman Dudley reviewed the date of the most recent version, July 10, 2002, to ensure that everyone has the most current document.

Mr. Dunn requested that a change be made to page 1, line 19 and throughout the document, to use language identical to the Constitutional amendment that states that the system use trains that are “capable of speeds in excess of 120 mph.” Discussion continued, and the Authority agreed that the RFP language should mirror the Constitutional amendment. Mr. Bottcher suggested that additional text be inserted that states the “expected performance must also meet the requirements outlined in this RFP.”

Mr. Mansour requested that Mr. Share elaborate on the reference to station locations. He stated that in some instances, specific language is used and in other cases broad references are made. Mr. Share acknowledged that broad language would be appropriate in most cases including Tampa. Discussion continued and the Authority directed staff to offer modified language for further review.

Mr. Share explained that the Federal Railroad Authority (FRA) comments primarily pertained to the early parts of the RFP; therefore, he suggested Mr. Quandel be invited to review these with the board at this time. Mr. Quandel reviewed several of the comments from FRA. It was later decided to incorporate all FRA’s comments and issued revised DRAFT that clearly noted that FRA’s recommended changes.

Regarding the "Schedule of Events", Ms. Eddins questioned whether time was built into the schedule for a proposer to address mitigation issues identified in the ROD. She explained that in her experience, mitigation costs might be substantial. Mr. Share explained that a contingency for these costs should be included in the proposal. Ms. Eddins replied that there is little opportunity to develop a realistic estimate of mitigation costs prior to the ROD and she provided an example of the potential magnitude of this issue. Mr. Quandel commented that there is active communication between the involved parties, which should help identify many issues prior to the completion of the ROD and that solid estimates should be able to be anticipated. Discussion continued.

Ms. Nodarse questioned whether or not the proposals would be re-evaluated if the ROD identified significant issues based on the selected proposal. Mr. Quandel replied that they have requested that the firms provide environmental information as part of their proposal so that consideration may be given to these issues during the selection process. Discussion continued regarding the environmental evaluation process and the project schedule. Ms. Eddins re-emphasized her position that there is no way to adequately anticipate the entire potential mitigation requirement that may ultimately be required.

Mr. Share acknowledged that the potential costs could affect the decision-making process, and also questioned the amount of time that a firm would be able to stand by their proposal. Mr. Bottcher stated that the number one ranked proposal will be identified in June 2003, and would enter the ROD evaluation process. He further stated that if significant issues are identified, a change of selection could be made. Discussion continued regarding the timeline, the evaluation process and the selection process. Mr. Dunn explained that the process doesn't have time to allow for a change in selection and Ms. Eddins stated that is part of her original point. She continued to say that these costs couldn't be fully realized prior to the ROD.

Mr. Share stated that the PD&E effort is attempting to identify most of these issues so that proposers might be able to include mitigation costs in their estimates. Mr. Beck added that the engineering consultants are doing an excellent job of identifying issues in the alternative corridors. He further stated that many of the routes are already impacted and thus many of the mitigation issues have been previously established.

Mr. Mansour commented that the FHSRA appears to be discussing two separate issues: 1) is an attempt to quantify successful bids; and 2) is to identify what the bottom line cost will be. He further stated that the bidders can include a maximum contingency that they can offer for mitigation, and the FHSRA can include this in the evaluation process. Mr. Mansour continued on to say that the reality is that the bidder will develop their best offer, which will yield a bottom line cost and any additional mitigation costs will be expected to be generated from another source.

Chairman Dudley responded that if mitigation costs were borne by the public, construction would be delayed until the legislature can meet to appropriate funding. Additional discussion occurred with the FHSRA recognizing that firms will be expected to submit proposals in accordance with the established schedule, which will include a

clearly identified estimate for mitigation purposes. Mr. Share explained that the details of this issue would be clearly defined in the RFP as the review process continues.

The FHSRA broke for lunch at 12:15 p.m., at which time they received a tour of potential station locations identified in the local area. The FHSRA reconvened at 1:30 pm.

Mr. Quandel continued to review the RFP amendments offered by the FRA, all of which are to be incorporated in a revised DRAFT.

Mr. Dockery stated that the comments were beginning to sound somewhat dictatorial and he requested that the FRA modifications be added using an italicized font so that they could be easily identified during the next review. Mr. Share responded that this would be completed. Mr. Quandel stated that this completes the FRA suggestions and the Authority returned to page three (3) for member comments. As a final FRA note, Mr. Beck added that the term 'screening report' was substituted for EIS throughout the RFP.

Mr. Share commented that another item that must be added to the schedule of events in section 2 is the release of ridership information in November 2002.

Several minor issues were discussed and changes suggested on page three (3) of the draft RFP, and discussion returned to the issue of the bid estimates and possible contingency levels for addressing mitigation costs. Chairman Dudley asked what would keep a firm from intentionally underestimating these figures to develop a more attractive bid. Mr. Share replied that they would run the risk of changes in mitigation that are not included in the allowance. He added that it would be important to define what is acceptable in the allowance.

Ms. Eddins asked if the bids are expected to be a fixed firm price, an estimate or a guaranteed maximum. Mr. Share stated that recent edits have changed this and deferred to Mr. Dockery for further discussion. Mr. Dockery stated that the issue is addressed on page 10 of the RFP, and Chairman Dudley suggested discussing the matter when the Authority reaches that point in the review.

Mr. Share indicated that the dates, related to right-of-way acquisition provided at the bottom of page 4 are tentative and not based on any significant data at the present time. He further explained that they are provided as an indication of when land would be committed for use by the identified firm. Mr. Beck added that he recommended removing any reference to an actual date to avoid potential delay damages or breach of contract issues. Mr. Haddad explained that the recommendation from legal counsel includes deleting lines 41 through 51 and replacing them with less restrictive statement offered by Mr. Beck.

Ms. Eddins asked if the language pertaining to ROW is intended to apply to CSX. Mr. Beck stated that it is not intended to apply to CSX ROW, and Mr. Bottcher added that it references "needed ROW." Mr. Share stated that language would be added to clarify this. Mr. Beck continued to explain concerns regarding ROW.

Mr. Dockery stated that previous comments regarding eminent domain clearly stated that this is and should be a function of DOT and he questioned whether this language is changing that. Mr. Bottcher responded that this would allow the DBOM contractor to operate under the DOT's legal authority. Mr. Dockery asked how this is handled currently for road projects, and Mr. Bottcher replied that DOT handles the work and Mr. Beck stated that this language is similar to the process currently utilized by DOT and referenced language included on page 4, line 32.

Mr. Share then discussed the paragraph added on page 2, which follows the design-build concept for ROW acquisition. Mr. Dunn also suggested language amending section H, line 40 & 41 to delete the communication restriction on FHSRA members. Some discussion continued; however, the Authority supported removing the statement.

Mr. Dunn expressed his opposition to text included on page 7, section K. He recommended removing the last line of the paragraph stating that the prime contractor should be given the latitude to choose and manage subcontractors. Mr. Chira questioned whether the Authority would want to retain some control over subcontractors in the event of a problem. Some discussion continued and Mr. Bottcher stated that the Authority would simply need to notify the prime of the problem and direct them to handle it.

Mr. Fowler stated that he agrees that the Authority does not want to deal with the subcontractors; however, he recommends leaving the statement in as a potential tool if needed. Discussion continued and Mr. Chira suggested having bidders submit team lists ahead of time; however, Mr. Share responded that this would put an added step in an already tight schedule. Discussion and debate continued and Mr. Share explained that the list of subcontractors could potentially include one hundred firms. Authority members also recognized that if objectionable firms are submitted on the bid proposals, this could be reflected in a reduced ranking overall.

Ms. Nodarse offered a motion to remove the last sentence of the paragraph in section K and let the FHSRA allow the prime contractor to manage the subcontracting firms. Mr. Dunn seconded the motion, which passed with dissenting votes from Mr. Fowler and Mr. Chira.

Regarding the topic of subconsultants, Ms. Nodarse also questioned whether the RFP precludes subconsultant firms involved in the PD&E or general consultant teams from participating in the bidding process. Mr. Share stated that he did not believe this topic has been addressed. Mr. Bottcher stated that there is a conflict of interest provision; however, Ms. Nodarse replied that does not cover this issue. Mr. Bottcher further stated that the current document only requires disclosure of the potential conflict. Ms. Nodarse stated that she thinks this should be added as a separate section and Chairman Dudley suggested revisiting the topic when the section on disclosure is discussed.

Mr. Dunn recommended striking the text on page 7, section M, item 4. He stated that this issue is adequately covered under law and need not be repeated in the RFP. Chairman

Dudley asked Mr. Bottcher if this added anything to the current body of law. Mr. Bottcher stated that it is a restatement of Florida law and is a standard provision in all solicitations for state contracts and is required to be included under federal law. Chairman Dudley suggested that a statement also be added to specify that bidders must comply with all laws, and questioned whether the current RFP indicates that noncompliance would be cause for rejection. Some discussion continued and Mr. Bottcher pointed out that this language exists on page 7, section M, item 3.

Mr. Share then commented on the Insurance and Bonding section, stating that each client has different insurance requirements and he would prefer to have the Authority consider this matter. Ms. Eddins questioned whether this section is intended to cover operational liabilities or liabilities during construction. Mr. Bottcher and Mr. Share stated that they believe the current document is inadequate and requires greater detail. Mr. Bottcher stated that they can add language quickly and will do so. Chairman Dudley that this is particularly important for the bonding requirement as well.

Mr. Fowler questioned the status of sovereign immunity and Mr. Bottcher stated that it is granted to the Authority, but not to the contractor. Some discussion continued regarding this topic; however, Mr. Bottcher reminded the Authority that the idea of extending sovereign immunity was discussed previously and disregarded. He stated that it could be added; however, the topic is quite controversial. Mr. Fowler commented that he was not suggesting that any changes be made, he was simply establishing the status. Mr. Beck led a lengthy discussion regarding sovereign immunity issues in the state and liability levels, and Chairman Dudley stated that at some point the FHSRA must develop a set of operating standards, safety standards and environmental standards. Mr. Share replied that that is fully intended to occur.

Returning to the RFP review, Mr. Share pointed out that section O has been added pertaining to Contract Duration. He explained that this ensures that all bidders are providing similar information with regards to length of coverage and will allow the FHSRA to more easily compare proposals. Chairman Dudley questioned the thirty (30) year period of time and suggested that a forty (40) year period may be more appropriate. Some discussion continued and GPC staff agreed to research the matter and adjust the period as appropriate. Mr. Share also suggested that the industry might want to provide input to this topic as well.

Mr. Dunn commented that he would like to see the language on page 7, section 4.A. re-written. He stated that it seems to be inadequate at present. Mr. Bottcher stated that this is standard language in all solicitations. Chairman Dudley commented that he believes this is law. Some discussion continued.

Mr. Dunn also recommended adding the term collusion to page 8, section 1.a.; however, Mr. Bottcher stated that this section actually applies to bid rigging. Mr. Dunn questioned whether the language prevents a firm from being on more than one team. Mr. Bottcher stated that is not the intent and Chairman Dudley requested staff to clarify this. Chairman Dudley posed the question about how a firm can participate on two teams and avoid

having an unfair advantage? Mr. Beck stated that this doesn't mean that a firm has colluded to prohibit competition. Chairman Dudley stated that he is not completely comfortable with that possibility; however, and suggested re-visiting the issue at some point in the future.

Mr. Dunn referenced page 9, section E and stated that the proof of legal entity should be required during the RFP process rather than "prior to negotiation or execution of a contract." Mr. Bottcher stated that firms entering into a joint venture might not have all documentation completed during the RFP phase. Chairman Dudley questioned the legal standing of these firms at that point and Mr. Bottcher agreed that he would change this section to require proof of legal entity during the RFP phase.

Ms. Nodarse commented that the language on page 9, section B, regarding One Florida should be more specific and she further suggested setting some type of minimum level of participation that should be used as a goal. Chairman Dudley stated that he thought this had been removed from the document; however, Mr. Bottcher stated that it had been removed from the rule, not the RFP. He explained that the Governor has encouraged the inclusion of this in all solicitations and the language is simply standard text used in documents. Ms. Nodarse stated that the discussion should be more defined and Chairman Dudley directed staff to reconsider the content of this section. Mr. Share noted this project will be subject to Federal DBE requirements.

Chairman Dudley then requested Mr. Share to provide some background regarding the modification to page 10, section F. Mr. Share explained that this section determines whether the Authority will seek to obtain a hard bid from a proposer or to select a vendor and then enter into negotiations for a project price. He further explained that the two scenarios that have been contemplated included: 1) having the proposer submit a financial plan and giving them responsibility for securing the needed financing of the project and evaluating the proposal independently; and 2) that a hard bid will be offered, which would be factored into the evaluation, thus determining the 'best value.'

Mr. Share further stated that option two (2), the edited version, is similar to the design-build process utilized by DOT. Ms. Eddins asked Mr. Share to further explain what was intended under the original version. He replied that the firm was expected to deliver an estimated price that would be subject to negotiation upon selection of the proposal. Ms. Eddins followed up by asking if the outcome of the negotiation would have been a fixed price and Mr. Share replied affirmatively. Chairman Dudley questioned whether Mr. Share could estimate whether there is enough time in his schedule to permit the execution of this option if negotiations are delayed. Mr. Share stated that it would be difficult to predict, but acknowledged the existence of a tight time schedule and stated that it would put strain on the schedule.

Mr. Haddad further explained that the initial concept was to receive proposals and estimates from bidders and rank them accordingly. He stated that the next step would include a negotiation phase with the selected bidder based on the estimates and financial plan offered by the firm. If the negotiations were not successful, he said, the FHSRA

would move to the next firm on the selection list. Mr. Haddad stated that this option requires the proposing firms develop the financial plan, while the new version puts the responsibility upon the Authority to do this.

Chairman Dudley recognized that the Authority agreed to provide the legislature with a hard number in March and asked if Mr. Share thinks that the original version could accomplish this. He replied that it does not appear very likely. Mr. Dockery commented on the potential length of the negotiation process and the benefits for a firm to keep negotiations open over an extended period of time. Mr. Fowler stated that simultaneous negotiations could occur and Mr. Beck stated that this is common. He further explained that, in his opinion, he thinks a hard bid will yield a higher overall project cost as compared to the negotiation option.

Mr. Dockery commented that, in his experience, awarding a contract first and negotiating the price later does not typically achieve the best value. He continued to say that this was the fatal flaw behind the two previous efforts to implement HSR in Florida. Mr. Dockery stated that the most recent proposal was rejected because there was a lack of confidence that the best value had been obtained through the negotiation process. He further stated that the Authority would benefit by using a method of negotiation that has proven to yield successful results.

Mr. Dockery went on to say that he visited and spoke to 113 members of the Florida Legislature between May 2001 and February 2002. The intent, he said, was to brief each of them regarding the HSR project, economic issues, ridership information and current law. The most frequent question he received from these legislators regarded how this project would differ from the previous one rejected by the Governor. He stated that it differs in several ways; however, the primary difference was that the new process would seek to obtain a fixed price based on competition from several major transportation providers. Mr. Dockery stated that, without exception, this allayed the fears and assured many members of the Legislature and likely influenced the successful votes in the House this past year.

Mr. Dockery explained that his proposal ensures that the Authority will have the responsibility and the opportunity to ensure that the project is financed successfully through a combination of private dollars, state dollars and federal dollars. He further stated that to request individual bidders to develop independent financial plans would introduce chaos to the process. Mr. Dockery stated that potential proposers would besiege elected officials leaving them to question whether the Authority has abandoned its responsibilities in this effort.

Mr. Dockery also asked Mr. Share if he was aware of any major project throughout the nation that was successfully handled using the process originally included in the RFP. Mr. Share replied that he is not aware of any and Mr. Dockery added that he could not identify any either. He went on to say that he'll continue to establish strong support among the legislative body and stated that he is confident that the comments he has

proposed will help to solidify the support of elected officials and will ultimately lead to the success of this project.

Ms. Eddins commented that Mr. Dockery made some excellent points in terms of not casting off responsibility for the financing plan; however, she did not hear him address the actual role of the private sector. Mr. Dockery replied that is included in his proposed version and Mr. Share provided an overview of the proposed section. He explained that there is a section on page 22 that requires the bidder to provide a financial plan pertaining to the portion of funding that they are willing to commit. The Authority reviewed this section and minor discussion occurred.

Mr. Dunn commented that regarding construction cost estimates, he concurs with Mr. Dockery's assessment of previous failures due to negotiating after the selection of the contractor. He continued to say that unfortunately, the price estimate submitted would be based on project plans that are only 15% complete, therefore requiring a large contingency approaching perhaps 20%, which may equate to \$200-300 million dollars. Mr. Dunn stated that the process normally used in cases such as this is known as 'construction management at-risk' and he recommended the Authority attempt to establish a similar process for this effort. Mr. Dunn explained some of the features utilized by this process and suggested that it could be combined with some of the advantages of the design-build option. He also expressed support for Mr. Dockery's comments regarding the financing plan.

Mr. Chira commented that the new version would require a more active role for the FHSRA. He questioned whether the financing role suggested by Mr. Dockery would require that the Authority hire additional staff or utilize DOT. Mr. Dockery explained that the bonding authority was removed from the last bill at the request of the Governors staff because there is a state agency available to handle this for the FHSRA. He continued to explain that one of the proposals submitted during the invitation to prequalify outlined the commitments that would be put forth by the firm. Mr. Dockery continued to say that he thinks this is representative of what they can expect to see in the final bids in response to the RFP. Discussion on this topic continued.

Mr. Chira commented that he was specifically referring to the administrative responsibilities for handling the financing. Mr. Dockery replied that this will require hiring staff, which would likely be required under any scenario and has been authorized under the new legislation. Mr. Share concurred that a staffing plan is expected to be pursued as Mr. Dockery suggests.

Mr. Mansour stated that he agrees with the comments of Mr. Dunn. He commented that he has always been under the impression that they were attempting to obtain a firm bid; however, he questions if the Authority is changing their previous recommendation to select a 'design, build, operate, maintain and finance contractor. Mr. Dockery does not think that this will present a departure from earlier recommendations as perceived by the legislators. He further stated that the reference to DBOM & F was not intended to pass along the entire responsibility to the private sector. Some discussion continued regarding

financing options, bonding and potential lease-purchase agreements and Mr. Mansour stated that while he may not object to the proposed change, he does consider it to be a departure from earlier recommendations by the Authority.

Mr. Fowler commented that a lease-purchase is just another agreement that will require a pay-off just as a bonding agreement would. He continued to say that either option would require substantial state and federal money, some capital contribution and a private operator. He added that he thought the real question at hand was whether the FHSRA selects a team and subsequently negotiates a price, or whether they have teams submit a price bid along with their proposals. Mr. Dockery replied that is the issue. Discussion continued and additional comments were made regarding the differences in the two versions being offered.

Mr. Share commented on the design-build concept stating that it is being used more frequently and, although it is new and somewhat controversial as a procurement method, it has resulted in large savings in terms of scheduling and it has not appeared to result in an overall cost premium. Ms. Eddins commented that this is consistent with what Mr. Dunn expressed and she explained that she thinks that his previous suggestion merely offers a way to incorporate incentives to share cost savings realized in the process.

Chairman Dudley commented that the chances of success in this endeavor rely on the differences that are being offered by this Authority based on the lessons learned from their predecessors. He further stated that at present there are no public dollars being offered and that no specific technology has been selected. Chairman Dudley continued to say that the bottom line is to have a firm price by January 2003. He stated that he favors the competitive bid process and recognized that lobbying of the legislators will occur under any scenario. Chairman Dudley summarized his opinions by stating that the original version appears to require more work on the back-end for the FHSRA, while the alternate version requires more work on the front-end. He stated that we must also recognize that there will be many unknowns with any process that is chosen and they are merely issues that will have to be addressed either in the RFP or at the negotiating table. He then expressed his concern that there may not be sufficient time to conduct an adequate negotiation.

Mr. Fowler commented that there are basically three options: 1) to rank firms and open negotiations; 2) the lump sum or sum-certain presented by Mr. Dockery; and 3) a guaranteed maximum offer with the ability to negotiate down based on cost savings incentives. Mr. Share clarified that all scenarios would include an evaluation component to identify best value options. Mr. Fowler asked if the third option is consistent with Mr. Dockery's proposal and Mr. Dockery stated that it was. Some discussion continued regarding the options.

Mr. Share summarized the decision by stating there appeared to be two (2) procurement scenarios with two (2) options under one of them: 1) a negotiated bid; 2a) a hard bid based on using Design-Build; and 2b) a hard bid using construction management at-risk. He suggested drafting the language based on scenario 2 into the next version of the RFP

after researching the implications of the construction management at-risk approach, and the members agreed.

Mr. Dunn commented on the selection criteria referenced on page 30 of the draft RFP. Suggested having a list of criteria, but did not want to have the weighting dictated to members. Board members offered little discussion on the matter.

Ms. Eddins added that she has comments regarding the brochure regarding some of the data referenced. Mr. Haddad responded that the data is based on published figures and they do not have access to more current facts. She replied that they are meaningless, but will not press the issue.

7. PD&E Consultant Report

No discussion.

8. Revised Draft Procurement Rule

No discussion.

9. Public Comments

Chairman Dudley opened the floor to public comments and hearing none, adjourned the meeting at 4:25 p.m.