

**Request for Qualifications – Operation of Rail Spur and
Multimodal Rail Transload Facility in Cole County, MO**

Issued by:

Cole County Commission

Due By:

February 24, 2023

Cole County, Missouri

Request for Qualifications

Operation of Rail Spur and Multimodal Rail Transload Facility

INTRODUCTION AND PURPOSE OF RFQ

This Request for Qualifications (the “RFQ”) is issued by the Cole County Commission (the “Commission”) for the purpose of seeking a railroad operator to enter into an agreement with the Commission for the operation of the Commission’s rail line and multimodal offloading facility for rail freight service. The Commission invites a statement of qualifications from experienced railroad operators capable of providing the specialized, professional services required for operation of the Commission’s rail facilities.

The Commission desires to obtain first-class, high-quality operating services that meet the needs of the railroad customers on the Commission’s rail facilities. The intent of this RFQ is to engage an operator that is deemed most responsive in providing such services as a contractor of the Commission. Specifically, the Commission seeks an operator that will:

- manage and operate the Commission’s rail facilities in a high quality and efficient manner;
- operate the Commission’s rail facilities in a manner so as to enhance rail revenues while ensuring that the Commission’s rail lines remain economically competitive;
- work cooperatively with adjoining land owners to facilitate expansion and operations when agreed to new and expanding businesses;
- properly maintain and safeguard the Commission’s investment in its railroad properties through the exercise of highest standards of maintenance in accordance with Commission requirements and, where approved by the Commission, recommend or undertake capital improvements to improve the rail lines;
- maximize the economic impact to Cole County and in the utilization of rail in the region;
- implement appropriate marketing activities to attract new customers to be served by the Commission’s rail facilities;
- accomplish all objectives required of the operator in a professional manner, in compliance with best railroad industry practices and applicable laws and ordinances; and
- work in cooperation with adjacent class one rail carrier Union Pacific for access.

At the conclusion of the RFQ process, and upon the execution of an operating agreement between the selected contractor and the Commission, the selected contractor will have responsibility for the operation of the Commission’s rail facilities for rail freight services.

ALGOA RAIL SPUR

The Cole County Commission began construction of a rail spur in the Algoa Industrial Park in 1994 to provide rail service to a book printing manufacturing plant being constructed in Cole County, Missouri. In subsequent years the rail spur was extended to serve new industries being built in the area, specifically a plastic bottle manufacturer and plastic bag manufacturer.

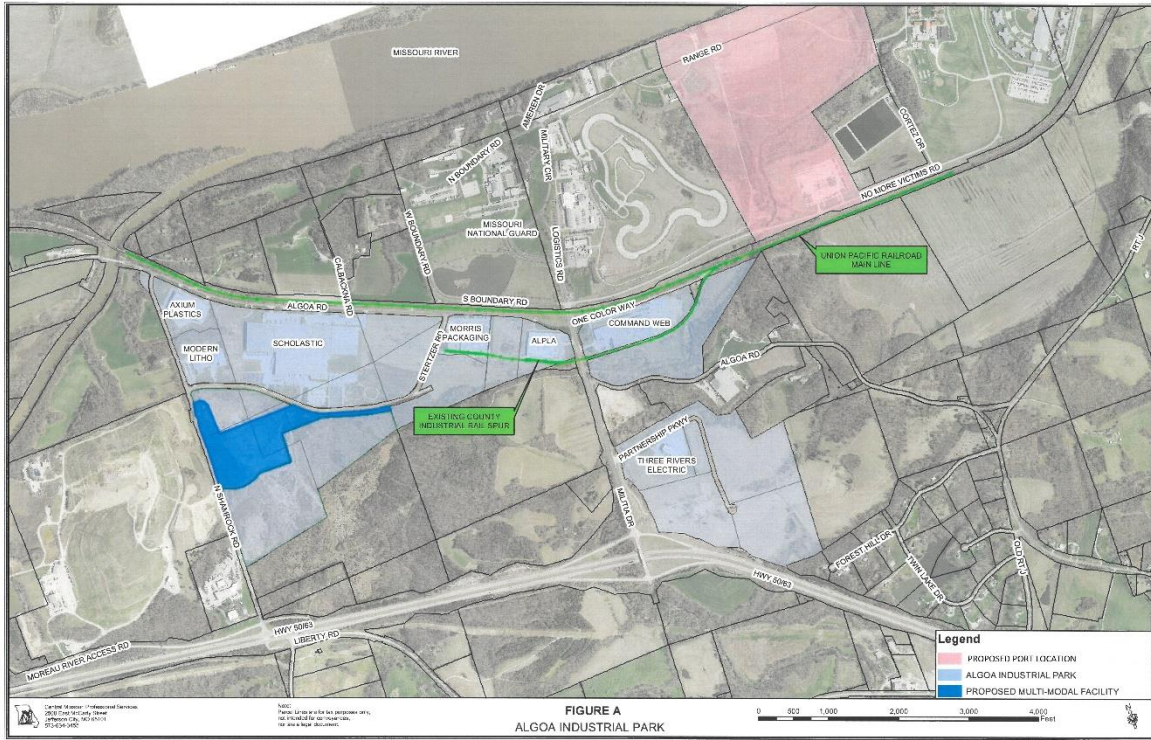


Figure 1 – Existing Rail Spur

PROPOSED MULTIMODAL RAIL TRANSLOAD FACILITY

Cole County, Missouri received an Economic Development Administration (EDA) and a Missouri Department of Transportation Freight Enhancement (FRE) grant for the construction of an industrial rail spur extension and multimodal rail transload facility within the Algoa Industrial Park area in Jefferson City, Missouri. The project will be owned by Cole County and is being developed as a Public-Private Partnership to provide access to rail service for regional industries that are not located on rail served sites. Having access to rail service will provide these industries the opportunity to ship or receive goods in rail car quantities, which has been shown to be more cost effective, more reliable, and more fuel efficient than transportation via truck. Rail service will also provide industries access to long distance and overseas markets which would not otherwise be accessible using highway transportation.

Final plans for the rail spur and transload facility are expected to be complete by February 28, 2023 with bidding to take place shortly after that.

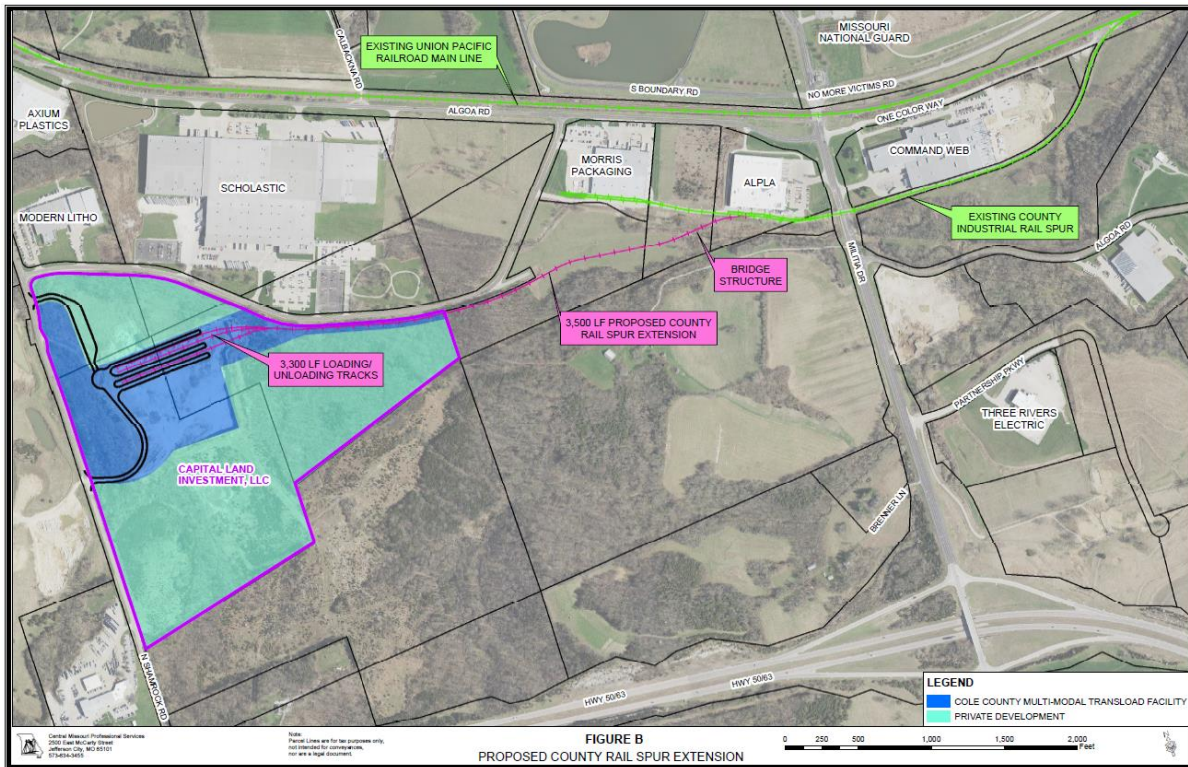


Figure 2 – Proposed Rail Spur Extension and Multimodal Offloading Facility

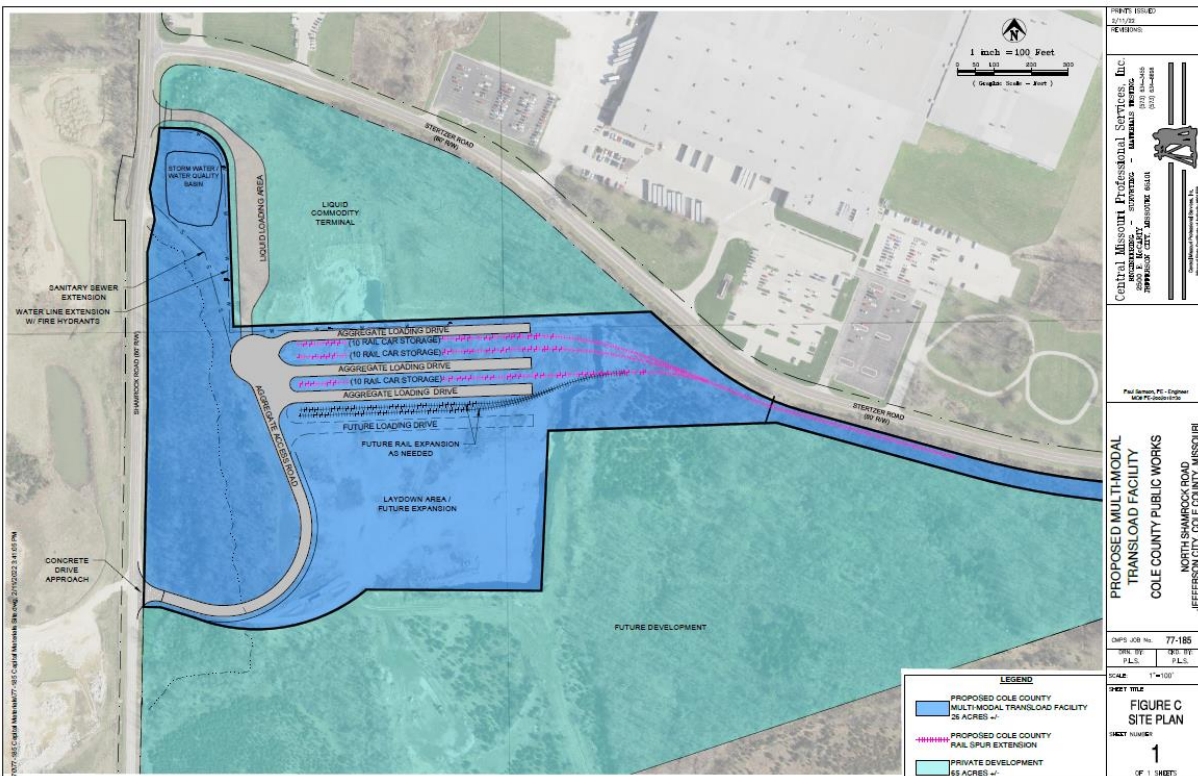


Figure 3 – Proposed Multimodal Transload Facility

COMMISSION RAIL PROPERTIES SUBJECT TO THIS RFQ

The Commission owns the existing rail spur as shown in exhibit 1. The commission will own and/or have easement rights for the properties containing the rail spur extension and multimodal transload facility shown in Figure 2 and 3.

CURRENT AND FUTURE CUSTOMERS SERVED BY EXISTING RAIL SPUR

- Command Missouri
- Alpla
- Morris Packaging
- Capital Oil Terminals (Future)

COMMISSION GOALS AND INTENT

There has not been an operator of the county's rail spur since its inception. Fees have not been charged to users and maintenance has been need based only and not preventative. The development of the proposed multimodal offloading facility and potential for future industrial development along the proposed rail spur extension has prompted the necessity for a rail operator to manage and maintain current and future rail operations. The county commission does not have the capability of performing this service and therefore is seeking a private operator through this RFQ process.

INTERCHANGES

- Class 1 potential interchanges are: Union Pacific (UP)

PROPOSED OPERATING AGREEMENT

At the conclusion of the RFQ process, the Commission and the selected contractor will develop a scope of services based on the current and projected use of the facility. The contractor will play a vital role in the final development of the transload facility and immediately begin marketing and attracting new users. The Cole County Commission and the Contractor will enter into an agreement for the operation of rail freight services on the Commission's rail lines and facilities (the "Operating Agreement"). The general terms of an operating agreement are listed below.

The term of the Operating Agreement will be determined during the negotiation process and shall be at least five years, with a possible renewal term of five years. Under the Operating Agreement, the selected contractor will have exclusive use of the Commission's rail lines for rail freight services in exchange for payment of an operating fee, which will be determined as part of the RFQ process, and fulfillment of other requirements set forth in the Operating Agreement. Thus, the Operating Agreement contains all duties and responsibilities expected to be observed and performed by the selected proposer in its day-to-day operations of the Commission's rail lines and facilities. By way of example and not limitation, the Operating Agreement requires the operator to do the following:

- make various reports to the Commission, including reports relating to financial performance, operations, marketing, and maintenance of way on a biannual basis;
- maintain the Commission rail lines and facilities in accordance with Union Pacific track maintenance standards and guidelines;
- furnish all required management, supervision, and other services required in the performance of rail operations;

- meet certain customer service standards and operator and maintenance expenditure thresholds as determined by the Commission;
- cooperate with the Commission in carrying out its mission of preserving rail freight service and fostering economic development and job creation in the region through the improvement and expansion of rail infrastructure;
- provide and maintain required insurance for its operations; and
- indemnify the Commission for liabilities arising from the rail operations.

OVERVIEW OF RFQ PROCESS:

The Commission desires to ensure that first-class rail operations are provided on its rail lines. The intent of this RFQ process is, therefore, to ensure that an appropriate level of review of submittals is undertaken in order to select a rail operator that the Commission deems best suited to provide rail freight service operations on its rail lines.

The Commission will assess each proposer's approach to operations, qualifications and experience, financial capability and other areas described below. There will be no restriction on the number of proposers that may submit qualifications.

GENERAL INSTRUCTIONS FOR ALL PROPOSALS

This section explains the procedure that will be followed by all proposers. Proposers should carefully read and follow the procedures required by this section. Material deviations from these requirements may cause rejection of proposals.

Each proposer must submit one (1) original signed submittal packet and a cover letter, each signed in ink, and six (6) unbound hard copies to the Commission at the following address:

Cole County Commission
311 E. High St.
Jefferson City, MO 65101

In addition, all proposers must submit an electronic .pdf copy of their qualifications. The .pdf must be a single document and not broken into multiple files.

Timely submission of qualifications is the sole responsibility of the proposer. **Late submittals after the deadline will not be considered.** The Commission reserves the right to determine the timeliness of all submissions.

Proposers should be clear, concise and direct in their submissions. Elaborate or lengthy narratives beyond those needed to provide a clear response to all requirements are not encouraged. Unclear, incomplete, or inaccurate documentation may not be considered. Falsification of any information may result in disqualification from the selection process, or in termination of the Operating Agreement if later discovered that the award of the agreement was made as a result of false information submitted in response to this RFQ.

Submitted materials will not be returned to the sender after the proposals have been opened.

To be responsive, the submittal must be done in writing. All applicable documents, including attachments and exhibits, must be included with the submittal. Each page of the submittal should be numbered sequentially at the bottom of the page. Documents must be submitted in the English language and must be at least 12-point font size, have at least one inch margins on all sides, and be on plain white paper.

Each submittal must be accompanied by a cover letter limited to one page that references the title of this RFQ and includes the following information:

- (1) Full legal name of the proposer;
- (2) Legal business status (individual, partnership, corporation, limited liability company, etc.), address, telephone number, fax number, and email address of the authorized representative(s) of the proposer;
- (3) State in which, in the case of an individual, the individual is domiciled, or in the case of an entity, the entity is organized or incorporated.
- (4) Name, title, email address, telephone number and mailing address of the person(s) authorized to be the primary contact and represent the proposer in the RFQ process.

The Commission reserves the right to seek additional information or clarifications from any proposers. The Commission may elect to interview any or all of the proposers.

All costs of preparation of a proposal shall be borne by the proposer. The Commission shall not be liable for any expenses incurred by proposers in the preparation and/or submission of proposals.

Submittals may be withdrawn by written request of the authorized representative of the proposer on letterhead at any time prior to the submission deadline of **February 24, 2023**.

SPECIFIC INFORMATION REQUIRED FROM PROPOSERS

The Commission will accept submissions up to **February 24, 2023**. Initial responses shall be in narrative form and shall include the information required in this section. Failure to adhere to these requirements may be cause for rejection of the proposal as non-responsive.

To ensure a uniform review process and to ensure an appropriate level of comparability, initial responses by proposers must be organized as follows:

1. Approach to Operations.

In this section, each proposer should include the following:

- a preliminary statement or summary of its overall approach or philosophy concerning the operation of rail spurs and transload facilities;
- a list of all railroads owned or operated by the proposer, along with an identification of any Class I railroad connections, if applicable;
- a description of its existing marketing activities employed in its rail operations to attract rail customers and otherwise market the proposer's business;
- a description of the proposer's policies and procedures for operating its business,

including policies and procedures relating to customer service, employee matters, risk management, and accounting and financial management;

- a description of the proposer's approach to maintenance of rail lines;

2. Qualifications and Experience.

In this section, each proposer should include the following:

- a statement of its qualifications and experience and number of years managing and operating rail spurs and multimodal rail offloading facilities; a minimum of five customer references, including name, mailing address, email address, and telephone number of the reference;
- if the proposer is a business entity (e.g., corporation, limited liability company, partnership), the proposer should detail the experience and qualifications of the proposer's management team; and
- a description of any operations specifically involving a public-private partnership, including an identification of the entities involved.

3. General Company Information and Narrative.

In this section, each proposer should include the following:

- General information about the proposer's company;
- A narrative describing the company's commitment to public-private partnership and economic development

SELECTION PROCESS AND CRITERIA TO BE USED BY THE COMMISSION

Each submittal will first be reviewed and analyzed to determine overall responsiveness and completeness. Failure to comply with the instructions of this RFQ may result in the proposal being deemed non-responsive and may, at the discretion of the Commission, be eliminated from further consideration.

Proposers consent to such additional investigation may include the following:

- an inspection of other rail lines operated by proposer by Commission staff and consultants, including a review of track inspection reports by State agencies and the Federal Railroad Administration for such lines;
- a survey conducted by Commission of the proposer's customers of other lines operated by the proposer.
- an interview of proposer's current Class I connecting railroads and state and federal regulatory agencies concerning proposer's performance; and
- a review of safety records and track inspection reports for proposer.

The Commission will then assess each proposer's response through the use of a category scoring system as follows:

<u>CATEGORY</u>	<u>POINTS AVAILABLE</u>
• Approach to Operations	30
• Qualifications and Experience	30
• Commitment to Public-Private Partnership	20
• Commitment to Economic Development	20
Total	100

The Commission reserves the right to reject any and all proposals, and waive informalities and irregularities in proposals received.

SELECTION OF PROPOSER

Each proposer is submitting with the understanding that the Commission will make a selection that is in the best interests of Cole County based on the above criteria. The selected contractor will be given written notice of selection and upon acceptance will immediately begin discussion on final development of the transload facility. Development of the scope of the Operating Agreement will occur simultaneously with final development of the facility plans for construction.

PROPOSAL OWNERSHIP AND CONFIDENTIALITY

All submittals, including attachments, supplementary material, addenda, etc., shall become the property of the Commission and will not be returned to the sender. The Commission has the right to use any or all ideas presented in the submittal without limitation. All submittals will be considered public documents, subject to review and inspection by the public at the Commission's discretion.

The Commission acknowledges that submittals may contain proprietary, financial or other data, the disclosure of which could cause substantial injury to the proposer's business. Proposers must therefore specifically identify the pages of a response or proposal that contain confidential information and provide a statement that such information is considered confidential by proposer and disclosure of such information would cause substantial injury to proposer.

GENERAL CONDITIONS, RESERVATIONS, AND DISCLAIMERS

In addition to any other conditions, reservations, or disclaimers set forth in this RFQ, the following section sets forth general conditions, reservations, and disclaimers which apply to this RFQ.

- The Commission reserves the right to extend any submission deadline should doing so be in the interest of the Commission. Proposers shall have the right to revise their submittals in the event that a deadline is extended. In the event a deadline is extended, the Commission shall provide notice of same on its website at www.colecounty.org.
- The Commission reserves the right to withdraw this RFQ at any time without prior notice. The Commission makes no representation that an Operating Agreement will be awarded to any proposer responding to this RFQ. The Commission reserves the right to reject any or all submittals.
- If an inadequate number of submittals are received or the submittals received are deemed to be non-responsive, the Commission may, in its sole discretion, reissue the RFQ or execute a sole-source agreement for rail freight operations with any individual or entity.
- The Commission will review and rate submittals as described in this RFQ. Proposers may

not make any changes or additions after the deadline for receipt. The Commission reserves the right to request additional information or documentation from proposers as it deems necessary or appropriate.

- The Commission reserves the right to verify information in any response or submittal. If the information cannot be verified, the Commission reserves the right to reduce the score awarded to the response or proposal.
- The Commission may require interviews with any proposer.
- The Commission reserves the right to waive minor defects in any response.
- This Commission does not represent a commitment or offer by the Commission to enter into an agreement with a proposer or to pay any costs incurred in the preparation of a response or proposal. The proposer assumes all costs associated with responding to this RFQ.
- The Commission reserves the right to seek new proposals when such a request is in the best interest of the Commission and to reasonably request such additional information or clarification of information provided in a proposal without changing the RFQ.
- This RFQ and a proposer's response to the RFQ may become a part of the Operating Agreement between the selected proposer and the Commission resulting from this RFQ process.
- No proposer shall offer any favor or anything of pecuniary value to any Commission member, staff member, consultant or any other individual with an interest in this RFQ process for the purposes of influencing the outcome of the RFQ selection process.
- Should any question arise as to the proper interpretation of the terms and conditions contained in this RFQ, the Commission's decision shall be final.
- The Commission reserves the right not to award the Operating Agreement or to award an Operating Agreement to one or more proposers as it deems to be in the best interest of the Commission.

QUESTIONS AND COMMUNICATIONS PROTOCOL

The following communications protocol shall apply throughout the RFQ process.

- All discussions by proposers with Commission consultants and Commission members during the RFQ process are prohibited.
- There will be one individual appointed by the Commission with whom proposers may communicate or direct questions. The point of contact for proposers is: Eric Landwehr, Cole Public Works Director, elandwehr@colecouny.org.
- Each proposer shall receive the same information concerning the RFQ at substantially the same time as all other proposers.
- To ensure fair and consistent distribution of information, all proposer questions will be answered in a "Q&A" format in a document to be provided to all proposers. No individual answers will be given.

TIMELINE

The tentative timeline for the RFQ submissions, review, selection and operating agreement award is shown below and is subject to change by the Commission, in its sole discretion.

Submittal Deadline: February 24, 2023

Review and Selection by March 3, 2023

Operating Agreement signed by June 1, 2023