



REQUEST FOR CLARIFICATIONS FOR THE O'HARE EXPRESS SYSTEM PROJECT RFQ

ANSWERS TO REQUESTS FOR CLARIFICATIONS #2 JANUARY 19, 2018

Question #	RFQ Section Cross Reference	Question	Response
41	1.2	“Proposed transportation service” is not further defined in the RFQ. Is it to be assumed that the City and the CIT envision a commuter rail type operation or could it just as well be another rail mode?	The City and the CIT remain open to various potential technology solutions for the provision of express transportation service from Downtown to O'Hare. Respondents are encouraged to provide feedback regarding their preferred mode in the Approach to Project Development (Exhibit A, Section 1.5).
42	1.3	Aside from City and CIT funding, which we understand is not available, and possible federal credit and tax exempt bond programs, is the City open to potential alternative funding sources, such as federal sources?	Please see response to RFC #3, posted as part of the Answers to Requests for Clarifications #1 on the CIT website on January 4, 2018.
43	1.3	Two major factors that will determine operating cost and revenue are (i) service frequency and (ii) fare levels. The City and the CIT have already prescribed headways and hours of service and they appear to have capped fares at less than the cost of current taxi and ridesharing services. Given the absence of public subsidy for this project, may Respondents have more flexibility to manage the bottom line by making commercially reasonable decisions regarding service and fare levels?	Section 1.3 sets out the City's and CIT's overall Project objectives and goal, but does not constitute a Proposal requirement at this time. If a Respondent believes the Project is feasible, but not at the desired service frequency and fare levels, such feedback should be provided within the Approach to Project Development and Preliminary Plan of Project Financing sections of its SOQs. The City and the CIT will use such feedback to inform the ultimate financing and technical provisions of the forthcoming RFP.
44	1.3.4	The RFQ makes a number of references to “Key Personnel” but does not appear to define any specific positions as “key” other than a general reference to 3 key financial positions. Are Respondents required to identify the “key personnel” positions?	Yes. Exhibit A, Section 1.3.3 requires Respondents to identify the key positions that the Respondent anticipates will be required for successful delivery of the Project, describe the role and responsibilities associated with each such key position, and identify the individuals on the Respondent Team to fill each key position.
45	1.5	We kindly request an extension of the period to request clarifications and to postpone the SOQ.	No additional extensions of time will be granted with respect to this RFQ.
46	2.1	This section refers to two “initial” stations, one at each end of the alignment. Is it the City and CIT's intention to add stations at some point in the future?	As outlined in the RFQ, the Project, at minimum, shall include two stations (Downtown and ORD termini), and one maintenance facility. However, to the extent that a Respondent believes additional stations will provide financial benefit to the Project without significantly reducing the nature of the express service between Downtown and ORD, the City and CIT are open to an approach that incorporates more than two stations. Respondents are encouraged to provide their feedback on the optimal number of stations and station locations in the Approach to Project Development (Exhibit A, Section 1.5), while keeping in mind the goal of express and direct service between O'Hare and Downtown Chicago.
47	2.1.1	In stating that the City has no usage or purchase agreements with owners of relevant rights-of-way, are the City and the CIT contemplating that land acquisition for stations and right-of-way will be the Concessionaire's responsibility and cost?	The City will coordinate with and assist the Concessionaire in securing the Project right-of-way as necessary and appropriate. Any cost for right-of-way acquisition, access, and/or usage rights will be borne solely by the selected Concessionaire.



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48	4.2	Can the City and CIT provide an idea on the payment schedule. What percentage of the project cost will be paid to the Concessionaire upon completion of construction?	There will be no construction progress, milestone or final acceptance payments made to the Concessionaire by the City. As outlined in the RFQ, the City and CIT do not intend to contribute any public funds to the Project. The Concessionaire will be responsible for obtaining all financing necessary to fulfill its obligations under the P3 Agreement. In consideration for the Concessionaire's performance of its design, construction, financing, operations, maintenance and other obligations under the P3 Agreement, the City will grant it the right to retain Project-specific revenues.
49	4.2	Please specify the City's and the CIT's responsibility in case that the Concessionaire fails to obtain the necessary right-of-way in a timely manner. In that case, can the Concessionaire request an extension of time?	Further detail regarding specific contractual obligations, cure periods and remedies will be provided as part of the RFP.
50	4.2	Please clarify who has the real property right in the right-of-way during the Project.	The RFP and P3 Agreement will provide further detail regarding the underlying ownership and real property interest of the Project and right-of-way during the term of the Project. Respondents are encouraged to provide their feedback on the benefits and constraints of different approaches to ownership rights of the Project and right-of-way as part of their Preliminary Plan of Project Finance.
51	4.2	Please let us know the idea on the amount of liquidated damage per day and its maximum amount in the construction stage.	The RFP will provide further detail regarding the contractual terms of the P3 Agreement, including liquidated damages.
52	4.2	Will the Project Contract, when released, require bonds to be furnished in compliance with the Illinois Public Construction Bond Act, 30 ILCS 550/0.01 <i>et seq.</i> ?	Performance security requirements for the Project will be addressed in the forthcoming RFP.
53	4.3	Please clarify if there are any provisions of minimum revenue guarantee such as availability payment.	No. The City and CIT will provide no public funds or credit enhancements to the anticipated Project revenue stream. The Concessionaire will be assuming all revenue risk for the Project.
54	4.3	The RFQ states that "In consideration of the Concessionaire's performance of its design, construction, financing, operations, maintenance and other obligations under the P3 Agreement, the City will grant it the rights to retain Project-specific revenues, subject to revenue sharing provisions in the event Project ridership and/or revenue exceed expectations". Can CIT please provide further clarification of this concept (for example, does CIT contemplate revenue sharing after a specified level of revenue that exceeds the Concessionaire's break even point, anticipated revenue sharing percentage, etc.)?	The City and CIT anticipate the P3 Agreement to have revenue sharing provisions that are triggered at pre-agreed upon revenue or ridership levels. The anticipated intent will be to allow the Concessionaire to retain such revenue levels commensurate with their proposed Project financing plan, but for the City to share in any excess revenues (to the extent that such exist). Further detail on such provisions will be provided in the RFP.
55	5.5.2	Section 5.5.2 states that 'A Key Individual Team Member may not be involved in the submission of more than one Respondent'. In addition, the term 'Key Individual' doesn't have a definition in Section 10 Definitions. Therefore, please clarify whether a firm, that isn't designated as Prime, a Vehicle Manufacturer or a potential Terminal Station/Right-of-Way Owner, is allowed be on more than one Respondent team?	Firms that do not meet the definition of a Prime Team Member of any Respondent Teams may be part of more than one Respondent Team. However, any individual identified as a Key Personnel of any Respondent may not participate in multiple Respondent Teams. Per Addendum #2, reference to Key Individual Team Member has been updated to reference Key Personnel, as defined in Section 10.



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56	5.5.3	We would strongly suggest that the City and the CIT defer the requirement to name a vehicle manufacturer until at least the RFP stage.	There is no requirement set forth in the RFQ for Respondents to name a Vehicle Manufacturer. The Non-Exclusivity description of Vehicle Manufacturers in Section 5.5.3 of the RFQ is meant to provide information to Responders as they are putting together their Project Team.
57	5.5.4 & 8.11	Sec. 5.5.4 states: "Solely with respect to the use of potential terminal facilities and right-of-way, Railroads, Metra, or Amtrak, to the extent that they are not an Equity Member of any Respondent, may participate in multiple SOQs, even if such entity otherwise meets the definition of a Prime Team Member of a Respondent." Sec. 8.11 states: "Respondents shall not contact the following identified stakeholders [including Railroads, Metra and Amtrak] ... with the exception that any Railroad, Metra, or Amtrak may be part of a Respondent team." Are we correct in believing we may contact a Railroad, Metra or Amtrak to discuss a teaming agreement, even if no agreement results? Such conversations are essential and inherently exploratory.	Yes.
58	8.11	While Exhibit B Section 3.1 provides a direct Amtrak contact for Respondents to reach out to, Section 8.11 has Amtrak on a list of organizations not to be contacted and states that the City and the CIT will provide opportunities for coordination with Amtrak. Please clarify.	Per Section 8.11, to the extent that a Respondent is interested in contacting Amtrak with respect to participation on its Respondent Team in some capacity (including as provider of terminal facilities or otherwise), such communication is permissible during the RFQ stage.
59	10	How does the CIT define "Major Participant" in the definition provided for "Guarantor?" Also in the definition of "Guarantor," can the CIT clarify whether "Equity member" should read "Equity Member?"	Per Addendum #1, reference to "Major Participant" had been previously changed to reference "Prime Team Member". Per Addendum #2, reference to "Equity member" has been changed to reference "Equity Member".
60	10	Our understanding is that, by definition, there is one "Respondent" per SOQ based on the references to Respondent in Section 1.1 of the RFQ ("a solicitation to entities or groups" p. 6) and the definition of "Respondent" in Section 10 of the RFQ ("an entity submitting a SOQ for the Project in response to this RFQ"). Further, we understand that within each Respondent, there may be multiple entities given the definition of "Team Member" in Section 10 of the RFQ ("means any entity within a Respondent"). If these understandings are correct, should "Respondent Team member" read "Team Member" on p. 28 of the RFQ Addendum (with T and M capitalized)? If our understandings are incorrect and the CIT is introducing a new capitalized term, can the CIT also provide a definition for "Respondent Team Member"?	Your understanding is correct. Per Addendum #2, reference in Section 10 has been updated to "Respondent Team Member".



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61	Exhibit A, 1.3.4 & 2.5.3	Sec. 1.3.4 says the Respondent must identify Key Personnel required for successful delivery of the Project. Sec. 2.5.3 says the Respondent must identify Key Financial Individuals responsible for Project financing. Financing is required for successful delivery of the Project. A strict reading would require that Key Financial Individuals also be designated Key Personnel with duplicate resumes and commitment letters. We do not believe this was the intent. Rather, we believe the CIT expects the principal contributors to the Project to be designated as either Key Personnel or Key Financial Individuals but not both. Please confirm. If not, please clarify what the CIT has in mind.	That is correct. Key Financial Personnel need only be addressed in Part B of the SOQ.
62	Exhibit A, 1.4.1 & 2.5.2	Sec. 1.4.1 states: "For each Prime Team Member, the Respondent shall identify up to three projects using Form D-1 for each project and Form D-2 that demonstrates in detail the Respondent Team's experience in comparable Projects." Sec. 2.5.2 states: "For each Equity Member, Respondent shall identify up to three projects that demonstrate the Respondent's project finance experience. For each project, the Respondent shall complete Form E." Sec. 10, Definitions, says Prime Team Member includes an "entity [that] is an Equity Member of a Respondent." This suggests Equity Members are Prime Team Members and thus must submit Forms D-1 and D-2 as well as Form E. For Equity Members, the information in Form E will largely duplicate that in Forms D-1 and D-2. Our reading of Forms D-1 and D-2 is that they are intended for Prime Team Members having technical expertise such as engineering, construction, etc., whereas Form E is meant for Equity Partners with expertise in finance. We believe the CIT's intention is that: 1) Prime Team Members contributing technical expertise but not shareholders' equity shall complete Forms D-1 and D-2 but not Form E. 2) Prime Team Members contributing shareholders' equity (i.e., Equity Members) but not non-financial technical expertise shall complete Form E but not Forms D-1 and D-2 Is this correct? If not, please clarify what forms Equity Members must submit.	It is the intent that Forms D-1 and D-2, submitted in response to Exhibit A, Section 1.4.1, demonstrate the Respondent Team's experience and qualifications to design, construct, operate and maintain the Project. Such relevant experience may be provided by any Prime Team Member, including Equity Members, to the extent that such Equity Members have relevant design, construction, operations and maintenance experience. It is the intent that Form E, submitted in response to Exhibit A, Section 2.5.2, demonstrate the Respondent Team's Equity Member's project finance experience. In such case that an Equity Member brings forth experience relevant to both Exhibit A, Section 1.4.1, and Exhibit A, Section 2.5.2, such Equity Member should complete Forms D-1, D-2, and E, as applicable to the relevant Project(s).
63	Exhibit A 1.4.1 & 2.5.2	Sec. 1.4.1 says Form D-1 must be used by Prime Team Members for descriptions of comparable projects. Sec. 2.5.2 says Form E must be used by Equity Members for projects demonstrating finance experience. May we provide the requested information in non-tabular form, provided we address each line item in Forms D-1 and E as shown in the RFQ?	Yes.
64	Exhibit A 1.5.1.a	Can the CIT clarify whether "among Respondent Team members" should actually read "among Respondent Team Members?"	Yes. Per Addendum #2, Exhibit A, Section 1.5.1(a) has been updated to refer to "Respondent Team Members".
65	Exhibit A 1.5.1.d	Can the CIT clarify that "security permit procurement" should read "security, permit procurement."	Yes. Per Addendum #2, Exhibit A, Section 1.5.1(d) has been revised.



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66	Exhibit B 2.1 & 2.2	Can the proposed express train service operate over CN's track in the CN-CSX Corridor or the NCS Corridor potential alignments?	The City and CIT make no representation regarding the rights of use to existing tracks on the studied alignments. It will be the responsibility of Respondents, and ultimately the selected Concessionaire, to negotiate and finalize any agreements with right-of-way owners along any selected alignment. The City will coordinate with and assist the Concessionaire in securing the Project right-of-way as necessary and appropriate.
67	Exhibit B 2.7	Please clarify who is mainly responsible for the right-of-way acquisition.	Acquisition of right-of-way will be the responsibility of the Concessionaire. The City will coordinate with and assist the Concessionaire in securing the Project right-of-way as necessary and appropriate.
68	Exhibit B 2.7	What exactly does the RFQ mean when it recognizes "that the owners of the potential rights-of-way want to protect their infrastructure investments, including existing and future facility and operational flexibility?"	The City and CIT understand that owners of potential right-of-way may want to ensure existing operational capacity and/or retain flexibility for future capacity enhancement. The City and CIT make no representation regarding the rights of use to existing right-of-way on the studied alignments. It will be the responsibility of Respondents, and ultimately the selected Concessionaire, to negotiate and finalize any agreements with right-of-way owners along any selected alignment. The City will coordinate with and assist the Concessionaire in securing the Project right-of-way as necessary and appropriate.
69	Exhibit B 2.7	The City has stated that it will assist Concessionaires in securing Project right-of-way as "necessary and appropriate" but has not been clear whether it will use condemnation authority to do so. What assumption should respondents make about right-of-way acquisition through condemnation in evaluating the feasibility of various alignments?	The City will ultimately assist the Concessionaire in securing right-of-way for the selected corridor, terminals and any necessary construction staging areas. Such assistance will be consistent with applicable law. The final alignment and terminal locations have not yet been determined. As such, the City cannot make any representation regarding what form such appropriate and necessary assistance may take at this time.