

THE GATEWAY PROGRAM



Hudson Tunnel Project & Concrete Casing *Request for Information*

RFI No. 2017-01

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**Gateway Program
Development Corporation**



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Disclaimer

The information contained in this Request for Information (“RFI”) has been provided as general information only. Gateway Program Development Corporation (“GDC”), in coordination with the National Passenger Railroad Corporation (“Amtrak”), the New Jersey Transit Corporation (“NJ TRANSIT”), and the Port Authority of New York and New Jersey (“Port Authority”), collectively the “Project Partners,” make no representation, warranty, or guarantee that the information contained in this RFI is accurate, complete or timely, or that it accurately represents conditions that would be encountered, now or in the future. GDC and the Project Partners shall not be responsible for the accuracy, completeness, or pertinence of the information contained in this RFI and will not be responsible for any inferences or conclusions drawn from it. The furnishing of this information by GDC and the Project Partners does not create nor should be deemed to create any obligation or liability upon GDC or Project Partners for any reason whatsoever. This RFI is being conducted separate and apart from any studies or assessments that are being conducted in accordance with the National Environmental Policy Act (“NEPA”). The Hudson Yards Concrete Casing – Section 3 (“HYCC-3”), included in this RFI for financing purposes, is a separate, but related project to the Hudson Tunnel Project. The Hudson Tunnel Project is currently being studied in accordance with NEPA by the Federal Railroad Administration (“FRA”) and NJ TRANSIT.

» 1. Project Briefing

A. Program Overview

The Gateway Program, one of the most urgent infrastructure programs in the United States, is a comprehensive rail investment program that would improve current services, add resiliency, and create new capacity for a critical section of the Northeast Corridor (“NEC”) – the most heavily used passenger rail line in the country (See Figure 1). The 10-mile stretch of the NEC between Newark, New Jersey, and New York City handles approximately 450 trains per day and over 200,000 daily Amtrak and NJ TRANSIT passengers, and directly serves Pennsylvania Station New York (“PSNY”) – the busiest rail station in America.

This segment of the NEC includes the North River Tunnel under the Hudson River, which has deteriorated due to age and intensive use. Additionally, in October 2012, Superstorm Sandy inundated the North River Tunnel and today the tunnel remains compromised. The North River Tunnel is currently safe for use. However, it is in poor condition as a result of the storm damage and has required emergency maintenance that disrupts service for hundreds of thousands of rail passengers throughout the region. Despite the ongoing maintenance, the damage caused by the storm continues to degrade systems in the tunnel and can only be addressed through a comprehensive rehabilitation of the tunnel.

GDC was established in 2016 to oversee and deliver the Gateway Program, with support from federal and local partner agencies. GDC’s current focus is on Phase 1, which includes two sub-phases: Phase 1A: Portal North Bridge Project and Phase 1B: the proposed Hudson Tunnel Project and completion of the Hudson Yards Concrete Casing. Phase 1 is vital to the functioning of the NEC, and addresses single points of failure that can have catastrophic impacts to the region’s economy and environment.

Phase 1 would immediately provide critical resiliency and redundancy for this valuable stretch of the NEC, a vital artery in the regional and national transportation and economic network.

Further information regarding Phase 1 components and financial actions to date can be found via publicly available documentation on the websites of GDC, the Project Partners, and the United States Department of Transportation (“USDOT”).

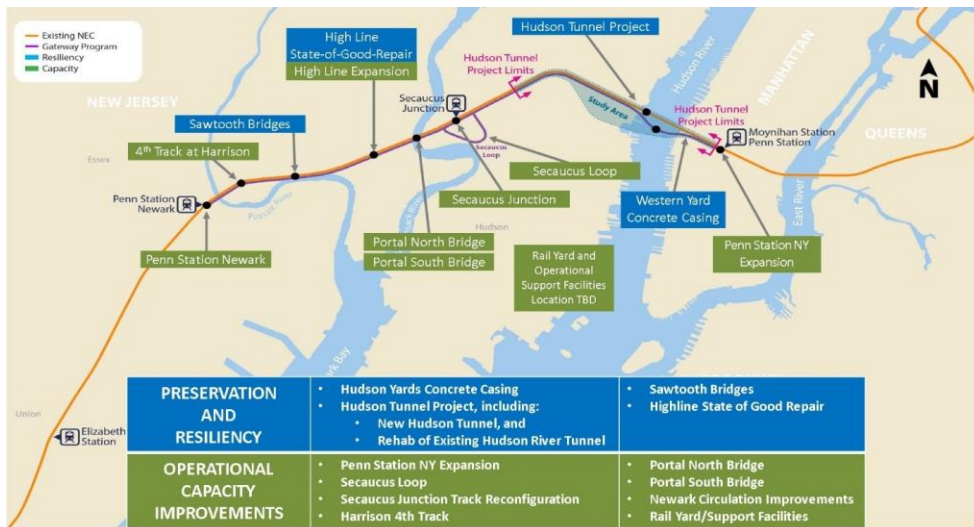


Figure 1: Gateway Program Proposed Preservation & Resiliency Projects and Operational & Capacity Improvement Projects

B. Project Components of Phase 1B

This RFI focuses on the three proposed major project components for Phase 1B:

1. **NEW HUDSON RIVER TUNNEL:** The construction of a new two-track Hudson River rail tunnel (“Hudson River Tunnel”) from New Jersey to New York City that will directly serve PSNY (FRA and NJ TRANSIT are currently evaluating the construction of a new Hudson River tunnel in accordance with NEPA. FRA has not issued a decision regarding the Hudson Tunnel Project or a new Hudson River tunnel. The information gathered through this RFI is independent of the ongoing NEPA study for the Hudson Tunnel Project.);
2. **REHABILITATION OF THE EXISTING NORTH RIVER TUNNEL:** The rehabilitation of the 106-year-old, existing North River Tunnel (FRA and NJ TRANSIT are currently evaluating the construction of the existing North River Tunnel in accordance with NEPA. FRA has not issued a decision regarding the Hudson Tunnel Project or rehabilitation of the North River Tunnel. The information gathered through this RFI is independent of the ongoing NEPA study for the Hudson Tunnel Project.); and
3. **COMPLETION OF THE HUDSON YARDS CONCRETE CASING:** the completion of Section 3 of a concrete casing on the West Side of Manhattan to preserve right-of-way for the future tunnel to PSNY, referred to as HYCC-3. (HYCC-3 is included in this RFI for funding and financing purposes, though it is separate and apart from the Hudson Tunnel Project currently being evaluated by FRA and NJ TRANSIT in accordance with NEPA. The information gathered through this RFI is independent of the ongoing NEPA study for the Hudson Tunnel Project.)

Respondents to this RFI are encouraged to review the links provided below and other information publicly available on the internet from, but not limited to, GDC, the Project Partners, USDOT, FRA, and Federal Transit Administration (“FTA”).

(1) New Hudson River Tunnel

The construction of a new Hudson River Tunnel and associated surface and rail system improvements is one of two components the preferred alternative identified in an Environmental Impact Statement (“EIS”) being prepared by the FRA and NJ TRANSIT as joint lead agencies to evaluate the Hudson Tunnel Project in accordance with NEPA. The Notice of Availability for the

Draft EIS was published in the Federal Register on July 7, 2017, with the Final EIS/Record of Decision expected by March 2018.

Construction elements of the Preferred Alternative, as defined in the Draft EIS, include tunnel boring, ground freezing cofferdams, sequential excavation method mining, fan plants, environmental considerations, and rail system infrastructure, among other components (See Figure 2).

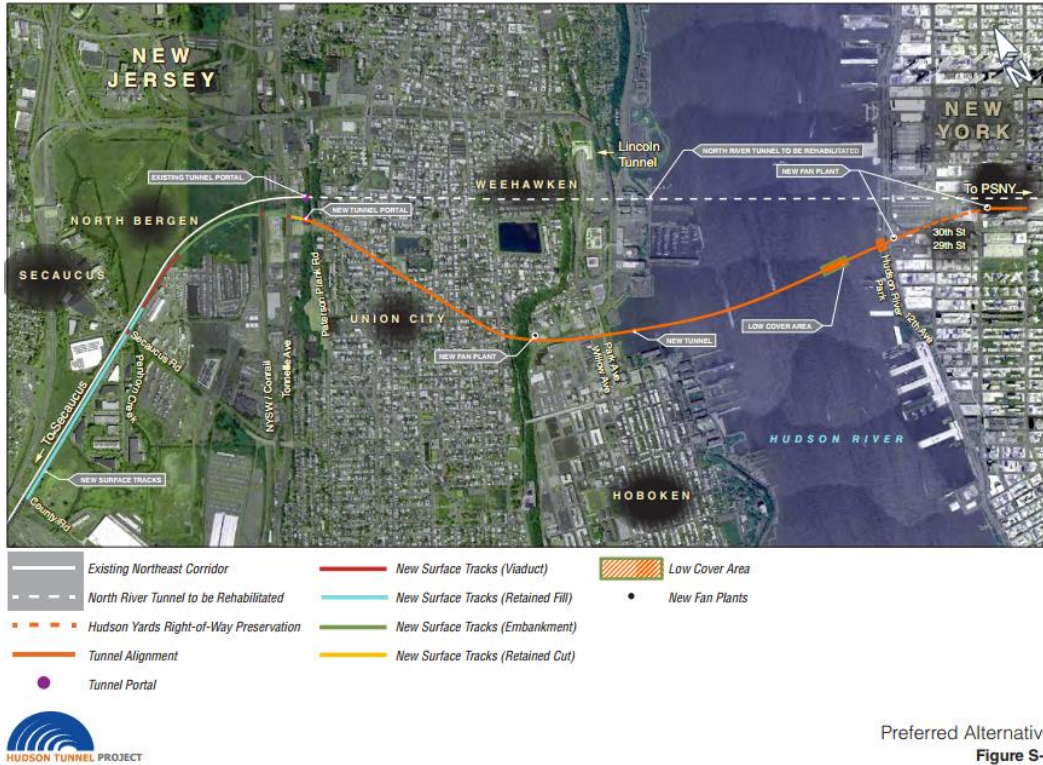


Figure 2: Preferred Alternative showing the Alignment of the new Hudson River Tunnel Alignment and Rehabilitation of the Existing North River Tunnel

Additional information on proposed construction methods and activities can be found in the Hudson Tunnel Project Draft EIS: <http://www.hudson-tunnelproject.com/deis.html>

(2) Rehabilitation of the Existing North River Tunnel

The rehabilitation of the existing North River Tunnel is another component of the Preferred Alternative in the EIS currently being prepared by the FRA and NJ TRANSIT.

Once construction of the new Hudson River tunnel is complete, operations would be shifted to the new Hudson River Tunnel and rehabilitation of the existing North River Tunnel could begin one tube at a time. The North River Tunnel consists of two tubes that require replacement of the corroded and aging elements inside, including the tracks, bench walls, catenary systems, conduits, utilities, ventilation, and signals.

Additional information on proposed construction methods and activities can be found in the Hudson Tunnel Project Draft EIS: <http://www.hudson-tunnelproject.com/deis.html>

(3) Hudson Yards Concrete Casing – Section 3

Separate and apart from the current EIS being prepared for the new Hudson River Tunnel and Rehabilitation of the Existing North River Tunnel, the construction of HYCC-3 was a component of a Supplemental Environmental Assessment (“SEA”) prepared by Amtrak in 2014. A Finding of No Significant Impact (“FONSI”) was issued by the FRA in 2014. HYCC-3 is a right-of-way preservation measure and is included in this RFI for funding and financing purposes.



Figure 3: Completed Section of the Hudson Yards Concrete Casing

The connection point on the southern end of the approach tracks of the Preferred Alternative of the Hudson Tunnel Project would make use of the Hudson Yards Concrete Casing (“HYCC”) being constructed by Amtrak along the southern edge of the West Side Yard. The HYCC preserves a rail right-of-way beneath the extensive overbuild project that is planned to be constructed on a platform above the rail complex. Any other connection point would conflict not only with the existing rail infrastructure but also with the foundations and supports for this platform. The HYCC consists of a concrete casing that extends from the north side of West 30th Street to the west side of Tenth Avenue. The HYCC is being constructed in three phases and, once completed, will be available for use as the alignment for the Preferred Alternative. Two sections of the HYCC have been completed (See Figure 3).

HYCC-3, located north of West 30th Street between Eleventh and Twelfth Avenues, is the final phase of the right-of-way preservation project and is yet to be constructed (See Figure 4).



Figure 4: Location of the Hudson Yards Concrete Casing - Section 3

For further information on Section 3 of the Hudson Yards Concrete Casing, please refer to the 2014 FONSI: <https://www.fra.dot.gov/eLib/Details/L16101> and 2014 SEA: <https://www.fra.dot.gov/eLib/Details/L15888>

C. Phase 1 Funding and Financing Activities to Date

Nationally significant projects require multiple funding and financing sources. GDC seeks to maximize both federal and non-federal resources to deliver Phase 1 through local self-help, pairing federal grants with innovative federal financing programs, including TIFIA and RRIF loans, and leveraging private sector innovation and capital.

FEDERAL GRANTS: In June 2016, Phase 1A and 1B were accepted into the New Starts Project Development Phase of the FTA's Capital Investment Grant ("CIG") Program. GDC and the Project Partners continue to work closely with USDOT and FTA staff on advancing Phase 1 through the CIG program phases.

For further information, about the FTA and the CIG Program, please refer to the FTA: <https://www.transit.dot.gov/funding/grant-programs/capital-investments/capital-investment-grants-program>

INNOVATIVE FEDERAL FINANCING: GDC entered into USDOT's Emerging Projects Program in January 2017, which was formalized through the execution of an agreement between GDC and USDOT's Build America Bureau ("BAB") covering Phase 1. This agreement established a framework for the provision of heightened technical assistance on applying for and obtaining low-cost federal financing offered by the BAB's credit programs.

For further information about Emerging Project Agreements, please refer to the BAB's "Emerging Projects Agreement" Website: <https://www.transportation.gov/policy-initiatives/build-america/master-credit-and-emerging-projects-agreements>

For further information about low-cost federal financing programs, please refer to BAB's "Programs and Services" Website: <https://www.transportation.gov/buildamerica/programs-services>

LOCAL SELF-HELP: Phase 1 enjoys significant support at the local level. The Port Authority's 2017-2026 Capital Plan was adopted by its Board of Commissioners in February 2017, and includes the support of debt service on \$2.7 billion in low-interest borrowing by GDC for Phase I. Of the \$2.7 billion pledged in support of low-interest borrowing by GDC, the Port Authority's Board of Commissioners authorized \$284 million in support of low-interest borrowing by GDC and \$18 million in support of any associated fees, costs, or expenses – not including interest - on Phase 1A (the Portal North Bridge Project). The remainder of the Port Authority's \$2.7 billion in support of borrowing by GDC is committed for Phase 1B.

For further information about the Port Authority's 2017-2016 Capital Plan and Board Authorizations related to the Gateway Program, please refer to the Port Authority's Corporate Information: <http://corpinfo.panynj.gov/>

AMTRAK INVESTMENT: As the national intercity railroad operator, Amtrak has pledged to fund its share of Phase 1. Additionally, Amtrak has already committed significant funding for the ongoing design of the Hudson Tunnel Project and HYCC-3.

PRIVATE SECTOR INNOVATION: This RFI is the first step for GDC and the Project Partners to seek the best of private sector expertise and innovation to deliver this significant phase on time and on budget. This expertise may include commitment from private capital in financing elements of Phase 1B as well as leveraging innovative techniques or approaches to construction and delivery.

» 2. RFI Overview

A. Invitation to Respond

GDC, in coordination with the Project Partners, is issuing this RFI to solicit private-sector interest in and feedback on a potential opportunity to deliver Phase 1B.

B. Qualified Respondents

GDC encourages responses to this RFI from a variety of organizations or firms that meet the following eligibility criteria (each a “Qualified Respondent”):

- (a) Industry leaders with a record of accomplishment in the design or construction of railroad infrastructure of similar size, type and complexity to Phase 1B;
- (b) Industry leaders with a record of accomplishment in the design or construction of tunnel infrastructure of similar size, type and complexity to Phase 1B;
- (c) Industry leaders with a record of accomplishment in the design or construction of infrastructure in similar physical environments of Phase 1B; and
- (d) Industry leaders whose functional expertise contributes to the financing of a complex transportation project of a similar size and scope of Phase 1B or project components.

GDC in its discretion, in coordination with the Project Partners, will determine whether a respondent is a Qualified Respondent for purpose of this RFI based on the information provided by the respondent. GDC may invite Qualified Respondent(s) to attend a one-on-one meeting with GDC and Project Partners to discuss the Qualified Respondent’s responses to the RFI questions in [Section 6](#) of this RFI. Organizations or firms that do not meet the eligibility criteria for responding to this RFI, including but not limited to providers of relevant design or construction services, legal or financial advisors, or other providers of professional services, are encouraged, but are not required, to participate in responding to this RFI as part of a Qualified Respondent. GDC will not preclude organizations or firms who do not respond to this RFI from participating in future procurements for Phase 1B or any other projects. Responders will not be given any preferential treatment or other advantage or disadvantage in any subsequent procurement process.

C. Purpose of this RFI

The purpose of this RFI is to inform the Phase 1B procurement and delivery method, to include potential design, construction, and financing solutions. Purposes of the RFI include but are not limited to:

- (a) To seek industry feedback and perspective on the questions presented in [Section 6](#) of this RFI;
- (b) To engage with and obtain feedback from the private sector, particularly construction and finance firms, on possible project and delivery structures;
- (c) To inform GDC about alternate delivery opportunities, and better shape Phase 1B’s subsequent procurement and financing approach;
- (d) To meet individually with Qualified Respondents to discuss their responses to the questions posed in [Section 6](#); and
- (e) To inform the market of anticipated procurement opportunities for Phase 1B.

The information gathered through this RFI is independent of the ongoing NEPA study being conducted by NJ TRANSIT and the FRA for the new Hudson River Tunnel construction and rehabilitation of the existing

North River Tunnel. HYCC-3 is included in this RFI for funding and financing purposes, though it is separate and apart from the Hudson Tunnel Project currently being reviewed by NJ TRANST and FRA in accordance with NEPA.

This RFI is an inquiry only. No agreement or contract will be entered into as a result of this RFI process. GDC may consider responses to this RFI during the planning and development efforts for Phase 1B. GDC and the Project Partners may use the information received from this RFI to assist with the preparation of any future Request for Qualifications (“RFQ”) or Request for Proposals (“RFP”). This RFI is not a commitment to issue any future RFQ or RFP.

GDC and the Project Partners may conduct further industry outreach focused on Phase 1B’s scope and technical characteristics at a later date.

D. GDC’s Authorized Representative

GDC has designated Francis Sacr, Interim Finance Director, or his authorized representative (“Authorized Representative”) for this RFI process. Organizations, firms and Qualified Respondents should send any written questions about the RFI to Mr. Sacr or his Authorized Representative at info@gatewayprogram.org with the subject titled, “GDC RFI Inquiries.” Organizations, firms and Qualified Respondents may at any time during the RFI process send inquiries relating to the Phase 1B or the RFI process to the Authorized Representative. GDC and Project Partners will review these inquiries, and may post responses and/or clarifications to these inquiries on the RFI designated web page on GDC’s website. GDC will not treat any RFI inquiries as either confidential or proprietary.

E. Confidentiality of Responses to RFI

Neither GDC nor the Project Partners will treat any responses to the RFI questions in [Section 6](#) as either confidential or proprietary. GDC in its sole discretion may post any or all responses with or without attribution, or summaries thereof, on its website.

» 3. One-on-One Meetings

GDC intends to hold one-on-one meetings with Qualified Respondents. These meetings are limited to Qualified Respondents only. The intent of these meetings is to promote an open exchange of information that, as noted, may assist GDC and the Project Partners with ongoing Phase 1B planning and development efforts.

At any time after the receipt of responses, GDC may request Qualified Respondent(s) make an informal presentation, which may include a request for further clarification of the response and/or additional information requests. To facilitate the free flow and exchange of ideas and information, it is the intent of GDC and the Project Partners to meet with Qualified Respondents separately. GDC will communicate the date, time, and place of the presentation(s).

» 4. Response Requirements and Format

A. Response Requirements

Each Qualified Respondent must submit:

- (a) A cover letter that includes the following:
 - (i) The name and principal business of your organization or firm, and how your organization or firm meets the definition of a Qualified Respondent as defined in Section 2;
 - (ii) A designated point-of-contact for future correspondence;
 - (iii) A request to participate in a one-on-one meeting with GDC and Project Partner staff, if desired;
 - (iv) A concise description of what role your organization or firm might play in a future procurement for Phase 1B. If your organization or firm has already teamed with other organizations or firms that have assisted in the preparation of your response to this RFI, please provide brief details of your teaming arrangement, and an organizational chart showing the functional relationship between your organizations or firms;
- (b) An Executive Summary presenting the major features of your responses;
- (c) Your responses to the RFI Questions in the format described below.

B. Response Format

Your response must be formatted on 8.5" x 11" single-sided paper and typed in clear black ink utilizing a minimum font size of 12.

All responses must be in portable document format (.PDF) (not scanned into .PDF) The PDF must not have any file protection or password protection applied.

Responses must be emailed to info@gatewayprogram.org no later than 2 p.m. on September 15, 2017 EDT. The Qualified Respondent's name and the RFI # must be conspicuously indicated on the cover of your PDF.

» 5. RFI Participation Conditions

A. Inquiry-Only- No Contract

This RFI is an inquiry only. Neither GDC nor the Project Partners will enter into an agreement or contract with a Qualified Respondent as a result of this RFI. Neither GDC, the Project Partners nor any other entity guarantees that Phase 1B discussed in this RFI will advance to a public procurement, or that any subsequent procurement will follow the approaches described in this RFI or approaches described in any of the responses to this RFI.

B. Changes to this RFI

GDC may, in its sole discretion, at any time, modify, amend, cancel or reissue this RFI through written addenda. GDC will post all addenda on GDC's website.

C. Response and One-on-One Meeting Attendance Costs

GDC or the Project Partners are not liable for any costs incurred or related to the RFI preparation, response, revision or any other aspect of providing a response to this RFI. Similarly, GDC or the Project Partners are not liable to an organization, firm or Qualified Respondent for any costs incurred or related to participation in the one-on-one meetings.

D. Ownership of Responses

All materials submitted in response to or in connection with this RFI will become the property of GDC.

E. Rights of GDC and Project Partners

GDC and the Project Partners reserve their respective rights at law and equity with respect to this RFI. No respondent(s) will have any rights against GDC or the Project Partners arising from the contents of this RFI or the receipt of information in either a response or during a one-on-one meeting. GDC and the Project Partners make no representations, warranties, or guarantees that the information contained in this RFI, supporting documents, or any addenda hereto, is accurate, complete, or timely. Furthermore, no such representations, warranties or guarantees are made that the information in this RFI or other supporting documents accurately represent the conditions that would be encountered during the performance of any subsequent contract. The furnishing of such information by GDC does not create, nor should be deemed to create, any obligation or liability upon it for any reason whatsoever. Each respondent, by submitting their response, expressly agrees that it has not relied upon the foregoing information contained in this RFI and that it may not hold GDC or the Project Partners liable or responsible in any manner whatsoever.

F. No Personal Liability

Neither GDC, the Project Partners, nor any Board of Trustees, Board of Commissioners, or Board of Directors, nor any of them, nor any officer, agent or employee thereof, may be charged personally with any liability by an organization, firm, Qualified Respondent or held liable to a Qualified Respondent under any term or provision of this RFI or any statements made in this RFI document or supporting documents

or during a one-on-one meeting with a Qualified Respondent, as the case may be, or because of the submission or attempted submission of information or other response to this RFI.

» 6. RFI Questions

GDC is interested in receiving comprehensive, fact-based, and innovative responses from Qualified Respondents to the RFI questions provided in this Section. Responses to the RFI questions must be concise, informative, and to the extent possible, based on current and past projects or observations of industry best practices. Qualified Respondents should not provide firm marketing materials or other promotional materials, but only include materials on the firm’s past and current projects to the extent they respond to the eligibility requirements set forth in Section 2 of this RFI, and inform the Qualified Respondent’s responses to these RFI questions.

Qualified Respondents should label their responses to match the question subject heading and RFI question numbers and letters. Qualified Respondents may respond to all or some of the RFI questions and/or Phase 1B components. GDC, in its sole discretion, may post responses to the RFI questions.

1. Project Delivery and Risk Allocation

- a. Various project delivery methods are available to deliver the projects such as Design-Bid-Build (“DBB”), Design-Build (“DB”), Construction Manager at Risk (“CMR”), and Public-Private-Partnerships (“P3”). Explain which project delivery method would be optimal to deliver Phase 1B, or any of its individual component parts. What are the advantages/disadvantages of the alternatives described?
- b. Which project delivery risks (e.g., cost and schedule overruns, completion, federal funding and financing) should be assumed by the project sponsor and which should be assumed by the contractor/consortium.

2. Funding and Financing

- a. What innovative funding sources or mechanisms do you think could be applied for Phase 1B, or any of its individual component parts, including but not limited to user fees, value-capture, and ancillary revenues? How would that impact your view of an appropriate financing structure?
- b. Describe options of possible public and private financing sources, and overall capital structure, to finance Phase 1B, or any of its individual component parts, with issues and trade-offs for each.
- c. Describe the role(s) GDC could play in accessing funding and/or financing for Phase 1B or developing alternative funding and/or financing mechanisms.

3. Contract Packaging

- a. What is your recommended contract packaging strategy for major components of Phase 1B including but not limited to tunnels (both new and rehabilitation of existing 106-year old North River tunnel), shafts, ventilation plants, surface alignment, signals, catenary work, and the completion of HYCC-3? Explain the pros and cons of your recommended strategy.

- b. Based on the response to Question 3a, recommend a sequence of work and timeframe for letting the contract packages based on the ability of the market to have adequate time and resources to respond.
- c. Identify any early action contract work that can be advanced independently for early delivery and how these contracts could be delivered as part of the contract packaging strategy described in Question 3a.

4. Design Development

- a. Per your recommended contract packaging strategy, what percentage of design should the preliminary basis of design be for each recommended contract package(s)?

5. Procurement

GDC and the Project Partners are mindful and keen to reduce any unnecessary expenses associated with preparing, responding or otherwise participating in a procurement process for the delivery of Phase 1B.

- a. Provide examples of requirements, terms and conditions, project management approaches (i.e., Disputes Resolution Board (“DRB”), Partnering, etc.) or specifications in other procurements that your firm believes should have been modified to reduce proposal development and overall project pursuit costs, without compromising the competitiveness of the procurement.
- b. Recommend best practices/proven strategies on how to maximize minority-owned, women-owned, and disadvantaged business enterprise (“MWDBE”) participation in Phase 1B.
- c. In addition to industry standard RFP documentation, what additional documents, data, records, surveys and studies should GDC consider providing to proposers during the procurement process?
- d. Based on your firm’s prior experience, what post award allowances could be developed in order to reduce contingency assumptions during the solicitation period? These may include but are not limited to geotechnical and environmental investigations.
- e. Indicate the impact, if any, of bonding capacity as it applies to contract packaging strategies and identify alternative means of financial security, if applicable.
- f. Provide a recommendation for insurance programs, including but not limited to Owner Controlled Insurance Project (“OCIP”) or Contractor Controlled Insurance Program (“CCIP”) that would minimize risk.

6. Other

- a. Explain other related topics of interest or issues regarding Phase 1B that you would like to discuss and that may be important to address during any future procurement process for the projects.
- b. Provide recommended strategies for the management and coordination of railroad force account work.
- c. Provide recommended management or partnership structures with other stakeholder agencies and/or private entities that GDC might implement to best effectuate Phase 1B and future phases of the Gateway Program.