

S305 Structure and Finance Task Force

MINUTES

FEBRUARY 13,
2012

3:30PM EDT

CONFERENCE CALL

FACILITATOR	<i>Eric Curtit, Missouri DOT, Chair, Structure and Finance Task Force</i>
ATTENDEES	<i>Eric Curtit, Chad Edison, Bill Bronte, Ron Pate, Steve Hewitt, David Ewing, Gordon Hutchinson, Ken Uznanski, Nancy Greene, Robin McCarthy, Vincent Brotski, Leo Penne, Nico Lindenau, Ryan Swick, Ashok Sundararajan</i>
ABSENTEES	<i>Al Ware, DJ Stadler, Mario Bergeron, Tim Hoeffner, George Weber, Kevin Kesler, Reuben Vabner, Jeff Gordon, Pat Simmons, Shayne Gill, Andy House</i>

DISCUSSION/DECISIONS MADE

Roll call – Steve Hewitt

Steve Hewitt took the roll call of participants. Attendance is noted above.

Welcome – Eric Curtit:

Eric Curtit, Missouri DOT, Chair of the Structure and Finance Task Force (SFTF) welcomed all participants, and noted that “we have a lot to accomplish in a short time.” He also announced that he was pleased that he had two state members who had agreed to become co-vice chairs for this task force: Ron Pate, Washington State DOT and Tim Hoeffner, Michigan DOT. With the anticipated work load ahead, having two vice-chairs will be extremely helpful.

Meeting Schedule and Frequency – Eric Curtit:

Eric described a proposed schedule and frequency of meetings. The task force will meet bi-weekly. It is anticipated that there will be sub-groups set up as the task force moves forward, and those subgroups may meet more frequently, but the full task force will meet bi-weekly. The calls will take place at 3:30pm, Eastern, every other Monday beginning today. Recognizing everyone’s busy schedule, Eric said he would try to keep the bi-weekly calls to an hour in duration when possible.

Timeline for Structure and Finance Task Force (SFTF) – Eric Curtit:

Eric provided a brief overview of a “pre-meeting” he had in Washington, DC this past Friday (February 10, 2012) with representatives of FRA, Booz Allen Hamilton and David Ewing. The meeting was beneficial in helping to lay out a preliminary schedule and timeline. He also reported that the FRA had agreed to not hold tight to the original August deadline for Section 6 plans. The FRA wants to see the plans done right, and understands the need for quality. Thus, the timeline will be aggressive, but not quite as short as originally expected.

Chad Edison, FRA, added that he wanted to “re-emphasize that the plan has an impact on what states will submit”...and that FRA “expects to change the California and Illinois timeline “to allow those states to use what is developed here.” The grant agreements have the Section 6 plan timeline set for August 2, 2012, and that is the date that is expected to change to allow for a bit longer timeline.

Ron Pate, Washington State DOT, commented that they have a Section 6 requirement as well, and were willing to keep working on their plan, but didn’t want to get too far down the road ahead of the NGEN, and find it needs to be changed.

Chad elaborated, “the NGEN effort will have usability in each plan...it will focus on the national level, and influence required documents in a significant way.”

Overview of SFTF work and anticipated goals – Chad Edison:

In providing an overview of the SFTF work and anticipated goals, Chad referred to the *Scope and Structure of the Structure and Finance Task Force* draft discussion paper that had been distributed over the weekend by Steve Hewitt. The paper addresses, in more detail, issues of management, funding, ownership etc. The hope is that “doing a good job at the national level will help to identify viable options that can be used...there will be enough

options that states or multi-states, like the mid-west, will have a choice to select a plan that works for their state or region.

He added, "The overall plan will look at equipment management; long term best practices; and at maintenance needs and approaches", and will "put forward performance matrix support for life cycle costs." Equipment deployment will also be addressed - which is especially important for the mid-west. Funding equipment over its life cycle is also important, as is ownership models that fit into the fleet plan.

The general timeline of about 6 months or less will take a lot of effort – there is "a lot to get done" In the end the intent is for the plan "to be able to be used by future procuring states" so they do not have to "re-invent" it.

Bill Bronte, Caltrans, asked if Amtrak "is to be a part of the larger discussion?" He commented that Amtrak has "very useful stuff they have done in maintenance."

Steve Hewitt replied that Amtrak has four or five representatives on today's call, and it is expected that they will be a part of this task force.

Bill was pleased to hear that, and recommended that the task force would be well served if Dave Warner, Amtrak, could participate. Steve Hewitt agreed to reach out to Mario Bergeron (and Dave) to see if Dave would be available to be a part of the task force.

Bill Bronte also made the point that "life cycle costs should include an overhaul structure too."

Chad Edison responded "yes, we want all types on the table, including Amtrak experiences, North Carolina experiences, California experiences and Washington State experiences." He added that it was good that Amtrak is on the call and it is "important that they be involved."

David Ewing pointed out that Amtrak has acknowledged that they have experience in maintenance, but have expressed concern about potential issues of conflict of interest later on if they are, at some point, bidding on maintenance contracts. David advised that the task force "be respectful of that" as it moves forward.

David also pointed out that "life cycle overhaul goes to the heart of the Section 6 piece. It is a great example of a feature we have to capture... we will need to develop a calendar and the pieces to capture these features."

Bill Bronte noted the "need to recognize that some will get defined coming out of the procurements – the ultimate winner – so to speak." Questions like "where is the best physical place to do overhaul" will be defined.

David Ewing replied, "those comments give substance to conversations we had in DC this past Friday. Where is the best physical place to do overhaul?" He added that in joint procurements "these are key companion decisions that need to be talked about and be captured...bringing it into this effort (SFTF) and not duplicating it."

David, using the metaphor of "peeling back the onion" and finding more and more that needs to be discussed and planned for. He noted the importance of "peeling back the onion together. He identified "the complex operational side migrating into the cost side – and the described decisions to be made in regard to maintenance facilities as something "we can't afford to get wrong."

Bill Bronte described California's experience in recognizing that they have capacity issues at some of their facilities, where a particular site may no longer be an alternative for certain aspects, and added that it is important to "err on the side of building too big a facility in the beginning. We (Caltrans) didn't expect the amount of growth we've gotten...it's important to plan for expansion."

David Ewing asked Eric Curtit if he was looking at St Louis and Kansas City as potential facilities. Eric responded that "we are beginning to look at it – especially being that they are the second and third largest rail hubs."

Ken Uznanski noted that he has most of the NGEN Scope document complete for tomorrow's Board meeting, but needs guidance in regard to the timelines, and asked what he should put in the document. Eric deferred a response until later on in the agenda when the RFP timeline is to be discussed in more detail.

Task force membership and support – Eric Curtit:

Eric reviewed the proposed SFTF member list that Steve Hewitt had developed as a starting point for kicking off the SFTF effort. Eric emphasized that there may be others who are interested in participating, and asked those on the call to feel free to add names to the list and send them to Steve and to Eric.

In discussing support staff, he noted that he appreciated the fact that David Ewing will provide help and advice to assist him in keeping things moving along, and "we will continue, of course, to get great support from our friend

who is currently in South Carolina (Steve Hewitt)".

Bill Bronte emphasized the importance of getting Dave Warner on board if possible, and also noted the importance of having Larry Salci involved.

Note: Larry is on the list but was unable to make today's call. Steve Hewitt will inquire about Dave Warner's availability.

Review of Voting Procedures – Steve Hewitt:

Eric asked Steve Hewitt to briefly review the voting procedures for the task force. Steve noted that the procedures were the same as those currently used by the Technical subcommittee and basically mirror those of the Executive Board. He also pointed out that the Administrative Task Force and the Finance subcommittee also intend to adopt these same procedures. The idea is to maintain consistency throughout the Committee. Steve also pointed out that the SFTF procedures have been adopted already, as they were a part of the resolution approved by the Executive Board in creating the SFTF.

Steve gave a thumbnail description of the procedures: the task force will strive to achieve consensus. Each state member has one vote as does Amtrak and FRA. If consensus is determined to have not been achieved on a particular motion, the Chair can ask for a block vote. The block vote is based on the number of states present. If there are 5 states on the call; the Amtrak block is 5, the FRA block is 5, and the state block is 5. In this scenario, if two blocks vote in favor of a motion it carries 10-5.

RFP Overview – Eric Curtit:

Eric Curtit described the timeline for getting an RFP out for Section 6 plan development.

Key milestones are:

- February 13, 2012: First SFTF call
- February 14, 2012: Executive Board call – Eric Curtit informs the Board that an RFP is under development for Section 6
- February 15, 2012: BAH will circulate a first draft to Eric Chad Edison and David Ewing
- February 21, 2012 Inform the Board on the progress of the RFP (**Note: this was predicated on the Board having a conference call that day – the call will not take place because the NGENC Annual Meeting will be held on February 23, 2012. There is time in the draft agenda for a report from the SFTF.**)
- February 24, 2012: Comments back from SFTF
- February 27: SFTF call – approval by SFTF of the RFP
- March 2, 2012: NGENC Board members receive the SFTF approved RFP
- March 6, 2012: The NGENC Board votes on approval of the RFP
- March 7, 2012: The RFP is released.

Other milestones:

- End of March, 2012: Receive bids
- Mid to end of April, 2012: NTP (Notice to Proceed)
- September, 2012: Draft review of Section 6 Plan
- Mid October: Final Submission

Key Tasks to Release RFP:

- Understand AASHTO procurement process (**Note: must also follow the approved NGENC procedures for contracting – BAH and AASHTO have received the NGENC procedures from Steve Hewitt**)
- Identify key pieces of information required to develop the RFP
- Finalize Scope of work
- Finalize Evaluation Team and Criteria
- Compile a list of bidders to send the RFP

Other – All:

Eric closed the meeting by thanking everyone for becoming a part of the task force, and Bill Bronte thanked Eric for being willing to take on this important effort on behalf of the NGENC.

Next call: February 27, 2012 at 3:30pm Eastern

Decisions and Action Items

Eric to provide Steve Hewitt with the Section 6 Plan development timeline for inclusion in the minutes (**done**) and for distribution to all members of the SFTF. (**done**)

Steve Hewitt to reach out to Mario Bergeron and Dave Warner about Dave’s availability to participate on the SFTF.

SFTF members are asked to send any additional membership suggestions to Eric Curtit and Steve Hewitt.

Once the draft RFP has been completed by BAH and is ready for distribution to the task force members, it will be sent to Steve Hewitt to send out to all SFTF participants.

SFTF conference calls will be held every other Monday, beginning February 13, 2012, at 3:30pm Eastern.

Ron Pate, Washington State DOT and Tim Hoeffner, Michigan DOT, will serve as co-vice chairs of the SFTF.

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ATTACHMENTS

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**PRIIA NGEC S305 Structure and Finance Task Force (SFTF)
Conference Call Meeting
February 13, 2012
3:30 – 4:30 pm Eastern
866 299 7945 passcode 1601544#
Agenda**

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| I. Welcome | Eric Curtit |
| II. Roll Call | Steve Hewitt |
| III. Meeting schedule and frequency | Eric Curtit |
| IV. Time line for Structure and Finance Task Force | Eric Curtit |
| V. Overview of SFTF work and anticipated goals | Chad Edison |
| VI. Committee membership and support | Eric Curtit |
| VII. Review of Voting procedures | Eric Curtit/Steve Hewitt |
| VIII. RFP overview | Eric Curtit |
| IX. Other | All |