The Des Moines Area Metropolitan Planning Organization

Request for Proposal
For:
Des Moines Transload Facility Development & Operations
September 2018

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1. Project Overview

The Des Moines Area Metropolitan Planning Organization ("MPO") desires to develop a rail transload facility in Des Moines with a respondent that has knowledge of, and prior successful experience with, developing and operating rail transload facilities.

As part of your proposal, the MPO is anticipating a full set of business plans and development ideas regarding how you plan to successfully develop the project. In addition, the project will require the development of the parcel in question by the selected respondent from current condition to the final, operational transload facility.

The transload facility is envisioned to be capable of handling various products that can be transported in several types of rail cars (for example: gondolas, flat cars, centerbeams, boxcars, hopper cars, and tank cars) and transloaded to truck or short-term storage. Your proposal should define your market expectations for various commodities with anticipated volumes. Your design should define the approach to developing the terminal in one to multiple phases to meet your market expectations. In addition, a business plan, identifying construction, and operational costs, as well as expected revenue is required. Details about how you have safely and successfully operated transload facilities and how you envision operating the proposed facility will assist the MPO in evaluating your proposal.

Overall, the intent of this RFP is to help the MPO understand your business approach to the facility, how you will design, fund and undertake the transload facility's construction, your anticipated markets and volumes, and your operational approach.

Basic parameters for the project development and property where the transload facility will be located:

1. Development of Property: The selected respondent will be responsible for all design and construction of the Transload infrastructure.

2. Selected respondent will negotiate service agreements for the transload facility with railroad companies: The proposed project site has access to multiple rail lines. It is the responsibility of the selected respondent to ascertain the extent of said access and negotiate any required access agreements with the individual rail lines.

3. Operation of Transload Terminal: The MPO desires to have an operator initiate, grow and maintain private rail transloading services. Selected respondent will be able to demonstrate how the transload facility will provide an important service to the market and be run as a quality and well-maintained operation.

The City of Des Moines currently owns the presently vacant and underutilized land parcel located in the industrial center of the City (Exhibit A). In addition to proximity to multiple rail lines, the site will have direct access to a new highway bypass, SE Connector, being constructed by the City of Des Moines. The selected operator will be expected to purchase the site at a price of approximately **$1,250,000** (subject to negotiation with City of Des Moines)**.**

The Des Moines Transload Facility project has been awarded a $1,700,000 10-year zero interest loan from the Iowa Department of transportation. Eligible expenses for this funding are engineering and construction costs of rail related items. The purchase of the land is not an eligible expense. The selected operator will have until December 2020 to complete the construction of the elements that are using the loan. The selected operator will be required to being making one annual payment of $170,000 beginning on January 1, 2021. Payments are scheduled to end on January 1, 2030, however, the selected operator can prepay the outstanding balance at anytime without penalty.

This $1.7 million Railroad Revolving Loan and Grant Program funding is based on a reimbursement system that requires a 20 percent match from the selected operator. The RRLG funding will be administered by the MPO. As long as the loan is being repaid, the MPO will collect a per railcar administration fee. The amount of this fee will be negotiated with the selected operator. Respondents may request more information about the RRLG program funding and its requirements from the MPO.

The objectives of proposed transload facility are generally to:

1. Improve the overall freight capacity and options in the Des Moines metropolitan area;
2. Develop rail centric transportation options for existing businesses;
3. Expand existing transportation options to attract new industries to the region and support economic development;
4. Provide rail and rail transloading service to existing and new industrial and manufacturing companies in the City of Des Moines and the Metro Region; and,
5. Facilitate the creation of an independent transload facility to be developed, operated and managed by the selected developer without direct oversight or administration other than local permitting and regulatory requirements

Your response should address each of these areas. Additionally, the selected respondent will be responsible for the long-term operation, maintenance, upkeep, and major and minor repair of the transload facility infrastructure, and for reaching service agreements with the applicable railroads.

2. Market Analysis and Anticipated Railcar Volume

The development of the transload facility is based on developing a solid marketing approach, implementing a successful business development plan, and executing on sales contracts. The specific makeup of the commodity mix is very hard to predict. Anticipated volumes of traffic have been forecasted only. It is the respondent's responsibility to provide its own forecast for commodities.

Respondent will utilize its market forecast to estimate railcar volumes and to develop and provide a revenue forecast. The types and volumes of railcars will then inform the development of a parcel development plan.

3. Development Approach

The respondent shall provide a description of the approach that will be utilized by the respondent in developing the parcel into a transload facility. Minimally, the areas that shall be covered are (but not limited to), providing a discussion of how the respondent will integrate the following:

- City of Des Moines development guidelines, conditions, zoning, etc.
- Approval and permitting timelines on respondent business plan
- Development management, design and construction
- Phases and timeline to startup and to begin earning revenue
- Funding options

4. Facility Design

Please include in your proposal a conceptual plan of the facility layout. The final site should include features mentioned below to provide for a safe and efficient design and operation. These listed features are a partial list and should be developed in more detail as the project is compared against market projections. It will be the responsibility of the respondent firm/team that is selected to complete the actual development, detailed design, and construction of transload facility.

- Safety
- Site Layout and stormwater management
- Traffic Flow
- Storage Areas and Yard Operations
- Buildings / offices
- Rail Switches

The respondent shall provide a written response to this RFP per the instructions below. The proposals will be evaluated by the MPO and will be ranked according to the Selection Criteria in Section 8.0 below.

5. Firm/Team Requirements

Specifically, the submitted proposal should include complete responses to 2, 3, and 4 above, including any relevant documentation, and to the following items:

5.1. Respondent Firm/Team experience

- In developing rail transload operation business plans, marketing strategies and how the respondent has achieved sales to meet business plan.

- In developing greenfield/brownfield sites to be used for rail/industrial purposes.
- In developing strong relationships with serving railroads.
- In transload operations, customer satisfaction, and safety.
- In starting a rail transload facility from initial concept, through business plans, permitting, construction, commissioning, startup operations and ongoing profitable operations.
- In handling commodities that have been identified as potential commodities in the Feasibility Study (Exhibit B).
- In negotiating and working with potential serving railroads including but not limited to basic terms of service agreements at existing rail transload facilities.
- Provide details of safety plans and records for other rail transload operations.
- Provide damage and loss claim records for other rail transload operations.
- Provide recommendations from at least three current customers

5.2. Site Development experience

- Demonstration of rail and/or rail terminal design.
- Demonstration of oversight of transload project development.
- Knowledge and oversight of transload project development including design and permitting.
- Knowledge and oversight of transload project construction.
- Demonstration of successful negotiations with railroads for connections and service agreements.

5.3. Market Knowledge and Business Development

- Possible markets and logistical needs for a transload facility.
- Listing of relationships with local customers.
- Acquiring and growing traffic at other transload sites.
- Outline of a Business Plan and Marketing Strategy for growing customer base at the transload facility.
- Outline of Facility Design to support the Business Plan, based on local commodity needs and truck and rail movement.
- Revenue and Expense Pro-forma that supports proposed Business Plan (including, as applicable, proposed transload charge, storage revenue, tracking revenue, etc.).

5.4. Operations experience

- Demonstration of Rail, Truck, Administration and Commodity Handling Operational Plans at other transload facilities.
- Discussion of management and information systems for the transload facility.
- Discussion of proposed Equipment for need for the transload facility.

6. Form of Proposal

The respondent shall provide the MPO with a PDF submission. As a guide, all pages are to be 8.5 in. by 11 in., text should be single spaced, and one column per page and font size should not be less than ten (10). Total submission size including submission, confidential information, and exhibits should not exceed 7 MB.

The following proposal sections provide a guide to assist the respondent:

Proposal Section	Anticipated Content	Anticipated Number of Pages
Cover Letter		1
Table of Contents	Defined so that individual proposal sections are clearly identified.	1
Introduction of Respondent	Introduce respondent firm/team.	1
Statement of Interest	Provide a statement of interest of why the respondent is interested in the transload facility and how its experience and personnel will benefit the City in respondent's development of the facility	1
Key Personnel	Identify the key personnel and their roles with the respondent, on this proposal, and relevant experience from other transload facilities. Detailed resumes can be provided in clearly identified exhibits attached to Proposal.	½ page per key personnel
Experience	Provide a narrative of the requirements of Section 5.1. Provide supporting detail in clearly identified exhibits attached to the proposal.	3
Site Development	Provide a narrative of the requirements of Section 5.2 as well as Section 4. Provide supporting detail in clearly identified exhibits attached to the proposal.	3
Business Development and Growth Expertise	Provide a narrative of the requirements of Sections 2 and 5.3. This section should be used to demonstrate how the respondent anticipates developing customers for transload, proposed conceptual design for facility to meet business plan, costs and revenues and how the respondent's plan provides benefit to the region. Provide supporting detail in clearly identified exhibits attached to the proposal.	8
Operations	Provide a narrative of the requirements of Section 5.4. Provide supporting detail in clearly identified exhibits attached to the proposal.	2
Overview of Current/Past Operations	Discussion of respondent's current operations and transloads.	3
Development Approach	Provide a narrative of the requirements of Section 3.	2
Maximum Number of Pages	Exhibits attached can be of unlimited pages.	32

7. Submittal Information and Notice to Respondents

Proposals will be received by the Des Moines Area MPO, until **5:00 P.M. (CST) on the 6th day of November 2018,** for the Request for Proposal for Des Moines Transload Facility Development & Operations and related work. Your submission should be submitted electronically to:

Zach Young, Principal Planner
Des Moines Area MPO
zyoung@dmampo.org

Submissions received after the deadline will not be considered. The MPO is not responsible for any costs incurred during the development of the RFP responses or interviews for selected firms.

Review of the submitted responses will be performed by the MPO in the following weeks. Selected respondents will be notified as to their acceptance and shall be given further instructions at that time. Selected respondents should tentatively plan on being interviewed between December 3 and December 14, 2018.

8. Requests for Clarification

The MPO will review all submitted proposals. It is anticipated that two or more respondents will be invited to present their business plan to the MPO selection team. The selection team will not be identified to the respondents. The respondents will be ranked by the following criteria (not in said order):

- Adherence to Proposal Instructions
- Clarity and Content of Proposal Information
- Demonstration of Business Growth and Operational Experience
- Development of Solid Business Plan and Marketing Strategy for the transload facility
- Reference checks with existing customers
- A clear and concise interest statement
- Understanding of the market in and around Des Moines for a rail transload
- Description of how the market knowledge will be integrated into the development of the transload facility
- Previous experience and success in developing or operating transload facilities
- Design, construction, or servicing plans for facility
- Funding options and financial capacity of respondent

9. General Terms and Conditions

COMPLIANCE WITH LAWS AND REGULATIONS: The respondent or respondents ultimately awarded a contract shall comply with federal, state and local laws, statutes, ordinances and regulations relative to the execution of the work.

NONDISCRIMINATION: During the performance of a contract or in the administration or

delivery of services or any other benefits under such contract, the respondent, contractor and its subcontractors shall not discriminate on the basis of race, color, sex, sexual orientation, gender identity, religion, national origin, ancestry, creed, age, familial status or disability.

INSURANCE REQUIREMENTS: The selected respondent shall maintain insurance that is sufficient to protect the MPO and respondent's business against all applicable risks, as set forth in the City of Des Moines Standard Insurance Requirements, as modified, which is set out in Exhibit D.

MPO'S RIGHT TO REJECT RFP RESPONSES; CONTRACT NEGOTIATIONS: The MPO reserves the right to reject any or all responses to this RFP for any purpose. The MPO anticipates that the selected respondent will negotiate an agreement(s) immediately following the selection process for the sale of the property and development, operation and maintenance of the transload facility, with terms and form of agreement acceptable to and approved by the MPO and including, but not limited to, insurance, indemnification, bonding, and development standards. In the event that MPO and the selected respondent are unable to reach an agreement, the MPO may contact any other respondent to commence such negotiations, and the MPO shall not be liable to any respondent for taking such action.

10. Proposals Not Confidential; Respondent Requests for Confidentiality Under Iowa Open Records Law, Chapter 22 of Iowa Code; Disclosure of Proposal Content

Under Chapter 22 of the Iowa Code, "Examination of Public Records", all records of a governmental body are presumed to be public records, open to inspection by members of the public. Section 22.7 of the Iowa Code sets forth a number of exceptions to that general rule, establishing several categories of "confidential records". Under this provision, confidential records are to be kept confidential, "unless otherwise ordered by a court, by the lawful custodian of the records, or by another person duly authorized to release such information". Among the public records which are considered confidential under this Iowa Code provision are the following:

- Trade secrets which are recognized and protected as such by law.
- Reports to governmental agencies which, if released, would give advantage to competitors and serve no public purpose.

Under Chapter 22 of the Iowa Code, the MPO, as custodian of the proposal submitted in the Request for Proposals, may, but is not required, to keep portions of such proposals confidential under exceptions noted above. If a responding individual or company in good-faith reasonably determines that a portion or portions of its proposal constitute a trade secret, or should otherwise be kept confidential to avoid giving advantage to competitors, **a confidentiality request may be submitted with the proposal** identifying which portion or portions of the proposal should be kept confidential and why. The burden will be on each individual respondent to make such confidentiality request and to justify application of a confidentiality exception to its proposal. The MPO will not under any circumstance consider the entire proposal to be a confidential record.

If a request is thereafter made by a member of the public to examine a proposal including the portion or portions thereof for which a confidentiality request has been made, the MPO will so

notify the respondent and will keep confidential that portion of the proposal covered by the confidentiality request, pending action by the respondent requesting confidentiality to defend its request. In that notification, the respondent requesting confidentiality will be given not more than 5 calendar days within which to file suit in Polk County District Court seeking the entry of a declaratory order and/or injunction to protect and keep confidential such portion of its proposal. Absent such action by a respondent requesting confidentiality, and absent the entry of a court order declaring such portion or portions of the proposal confidential, the entire proposal will be released for public examination. Proposer shall be responsible for all costs relating to a declaratory judgment or injunctive action, including the payment of any damages assessed and attorney fees and litigation expenses awarded.

Upon completion of the Request for Proposals stage in the evaluation process, all competing proposals may be disclosed, subject to such portions identified and determined confidential as above provided.