

- **Guarantor** – Any Person that is the obligor under any guaranty in favor of the Authority required under the Contract.
- **Key Personnel** – Those individuals identified in the Proposal to fill the positions specified in Form G (Key Personnel Matrix).
- **Major Participant** – Any of the following entities:
 - Principal Participants;
 - The Lead Engineering Firm;
 - Each Subcontractor that may perform 10 percent or more of the construction Work; and
 - Each Subcontractor that may perform 20 percent or more of the design Work.
- **Material Change** – Any material changes in financial condition, corporate form, market capitalization, or potential liabilities that may affect an entity’s ability to complete the Project for any entity for which financial statements are provided in the Proposal. Set forth below is a representative list of events intended to provide examples of what the Authority considers a material change in financial condition, corporate form, market capitalization, or potential liabilities. This list is intended to be indicative only.
 - An event of default or bankruptcy involving the affected entity, a related business unit within the same corporation, or the parent corporation of the affected entity.
 - A change in tangible net worth of 10 percent of shareholder equity.
 - A sale, merger or acquisition exceeding 10 percent of the value of shareholder equity prior to the sale, merger or acquisition which in any way involves the affected entity, a related business unit, or parent corporation of the affected entity.
 - A change in credit rating for the affected entity, a related business unit, or parent corporation of the affected entity.
 - Inability to meet conditions of loan or debt covenants by the affected entity, a related business unit or parent corporation of the affected entity which has required or will require a waiver or modification of agreed financial ratios, coverage factors or other loan stipulations, or additional credit support from shareholders or other third parties.
 - In the current and the three (3) most recently completed fiscal years, the affected entity, a related business unit in the same corporation, or the parent corporation of the affected entity either:
 - Incurs a net operating loss;
 - Sustains charges exceeding 5 percent of the then shareholder equity due to claims, changes in accounting, write-offs or business restructuring; or
 - Implements a restructuring/reduction in labor force exceeding 200 positions or involve the disposition of assets exceeding 10 percent of the then shareholder equity.



- Other events known to the affected entity, a related business unit or parent corporation of the affected entity which represents a material change in financial condition over the past three (3) years or may be pending for the next reporting period.
- **Offeror** – A Person that submitted an SOQ in response to the RFQ.
- **Principal Participant** – is defined as one or all of the following:
 - The Proposer
 - If the Proposer is a joint venture, partnership, or limited liability company, any joint venture, general partner, or member thereof
 - Any Person holding (directly or indirectly) a 15 percent or greater interest in the Proposer
- **Project Website** – is defined as the official website of the California High-Speed Rail Authority.
- **Proposer** – The Shortlisted Offeror submitting a Proposal in response to this RFP.
- **Proposer Team** – Collectively, the Proposer, other Major Participants, Subcontractors, including their respective employees, agents, and officers.
- **Request for Qualifications (RFQ)** – The Request for Qualifications, including all addenda thereto, issued by the Authority for the Project on November 15, 2011.
- **Request for Proposals (RFP)** – This written solicitation, issued by the Authority in March 2012 to all Shortlisted Offerors for submission of detailed proposals to undertake the Project.
- **RFP Documents** – Those documents included in Books 1-4 of the RFP.
- **Shortlisted Offerors** – Offerors invited by the Authority, based on the Authority's evaluation of each Offeror's SOQ, to submit Proposals in response to this RFP.
- **Statement of Qualifications (SOQ)** – The document submitted by an Offeror in response to the RFQ issued on November 15, 2011.
- **Surety** – A properly licensed surety company, insurance company, or other Person approved by the Authority, which has issued a Proposal Bond and/or will issue a Performance Bond and Payment Bond. To be considered a Surety for purposes of this ITP the surety company, insurance company, or other Person approved by the Authority shall:
 - Be registered with the California State Insurance Commissioner;
 - Appear on the current Authorized Insurance List in the State of California published by the Office of the Insurance Commissioner, and
 - Possess an A.M. Best and Company rating level of A- or better and Class X or better, or as otherwise approved by the Authority in its sole discretion.



9 Evaluation of Proposals

9.1 Overview

All Proposals will first undergo pass/fail and responsiveness review. Those Proposals that are found responsive and pass the pass/fail review will then undergo substantive evaluation to determine the apparent best-value Proposer. To facilitate substantive evaluation of Proposals that pass the pass/fail review and are found responsive, Proposers must divide the Proposal package into a separate Technical Proposal and Price Proposal. The submittal must be received by the Proposal Deadline in [Section 3](#) by the Authority Point of Contact at the address shown in [Section 7.3](#).

All Proposals that are determined to have provided the minimum elements required by the RFP's pass/fail criteria then undergo substantive evaluation. The Technical Proposals are evaluated before the Price Proposals are opened and evaluated.

Once the Proposers' Price Proposals are opened and evaluated, the weighted scores for the Technical Proposals (30 percent weighting) and Price Proposals (70 percent weighting) are combined, and the Proposer receiving the highest combined score for its Proposal will be recommended as the Apparent Best-Value Proposer.

The evaluation criteria and weighting for the Technical Proposals are summarized in [Section 9.3](#).

9.2 Pass/Fail and Responsiveness Review

9.2.1 Responsiveness

Each Proposal will be reviewed for the following:

- Conformance to the RFP instructions regarding organization and format, including the presence of all required forms and attachments
- The responsiveness of the Proposer to the requirements set forth in this RFP
- Minor informalities, irregularities, and apparent clerical mistakes that are unrelated to the substantive content of the Proposal

Those Proposals not responsive to this RFP may be excluded from further consideration and the Proposer will be so advised. The Authority may also exclude from consideration any Proposer whose Proposal contains a material misrepresentation.

9.2.2 Pass/Fail Review

Following or in conjunction with evaluation of each Proposal for responsiveness, the Authority will evaluate each Proposal based upon the pass/fail criteria listed below. A Proposer must obtain a "pass" on all pass/fail items in order for its Proposal to be evaluated qualitatively under [Section 9.3](#).



- The Proposal contains an original executed transmittal letter as required in Section 8.2.7, above.
- The Proposer has provided a letter of commitment from a Surety (or Sureties) meeting the requirements specified in Section 8.2.7.
- The Proposer has provided Buy America Certifications (Cert. 10), certifying compliance with Buy America requirements as provided in Section 6 of this ITP and Section 46.12 of the General Provisions (Book 2, Part B).
- The Proposal contains Escrowed Proposal Documents Certification (Cert. 15) executed by a person authorized to bind the Proposer and submitted in accordance with Section 8.2.5.
- The information disclosed by members of the Proposer Team in the General Proposer Certification (Cert. 1), including the information required by Section 8.2.7 above, does not materially adversely affect the Proposer's ability to carry out the Project responsibilities potentially allocated to it.
- The Proposer has submitted the Proposer's Overall Project Small Business Goal Commitment Affidavit (Cert. 14), evidencing their commitment to meet or exceed the overall Project Small Business goal of 30 percent.
- The Proposer's approaches and innovative strategies delineated in the Proposer's Small Business Performance Plan demonstrate the Proposer's responsiveness in meeting the Authority's Small Business goal objectives, as required in Section 7.11.1.
- The Proposer provides the information and makes the express, written commitments as required in Section 8.2.7.

9.2.3 Financial Data

The Proposer shall not have incurred a Material Change since the time of its SOQ submission, such that Proposer continues to have the financial capability to design and construct the Project.

If it is determined that the Proposer has incurred a Material Change since the time of SOQ submission, then the Proposer may be given the opportunity to add a Guarantor to its Proposal and must submit all financial information required as part of the RFQ and RFP processes. Such opportunity is given solely at the discretion of the Authority and the additional Guarantor must be deemed acceptable by the Authority.

The Proposal must include the following information in order to demonstrate that the Proposer has not incurred a Material Change since its SOQ submission:

- **No Material Change Certification** – The Proposal shall include a statement from the Chief Financial Officer or Treasurer of the Proposer stating that there has not been a Material Change, and none are anticipated, in the financial condition, corporate form (i.e., significant mergers, acquisitions, reorganizations, etc.), market capitalization, or potential liabilities (e.g., current or pending claims or litigation) since the SOQ submission. If the Proposer is a joint venture or LLC, then the Proposal shall include a statement from the Chief Financial



Officer or Treasurer of each joint venture member or LLC member stating that there has been no Material Change in the financial condition, corporate form, market capitalization, or potential liabilities since the SOQ submission. Reference to financial statements or notes to financial statements is not sufficient for purposes of meeting this requirement.

Additionally, if the Proposer, or in the event the Proposer is a joint venture or LLC then any joint venture member or LLC member, has provided a guaranty as part of its SOQ submission, then the Proposal shall include a certification from the Chief Financial Officer or Treasurer of each Guarantor stating that there has been no Material Change, and none are anticipated, in the financial condition, corporate form, market capitalization, or potential liabilities of the Guarantor since the SOQ submission. Reference to financial statements or notes to financial statements is not sufficient for purposes of meeting this requirement.

- **Material Change Disclosure** – If there has been, or there is anticipated to be, a Material Change in the financial condition, corporate form, market capitalization, or potential liabilities of the Proposer, or in the event the Proposer is a joint venture or LLC then the joint venture member or LLC member, or to any Guarantor since the SOQ submission, then the Chief Financial Officer or Treasurer of the affected entity must provide:
 - Statement describing each Material Change in detail,
 - The likelihood that the Material Change will continue during the period of performance of Project development, and
 - The projected full extent of the changes likely to be experienced in the periods ahead. Reference to financial statements or notes to financial statements is not sufficient for purposes of meeting this requirement.

In addition, the Chief Financial Officer or Treasurer of the affected entity must provide an estimate of impact on the revenues, expenses and the change in capital structure (debt and equity) for each Material Change. Where a Material Change will have a negative impact on the financial condition of the affected entity, then the Proposal must include a discussion of the measures that would be undertaken to insulate the Project from any recent or anticipated Material Changes.

- **Recent Financial Statements** – If Financial Statements for the Proposer, or in the event the Proposer is a joint venture or LLC then for any joint venture member or LLC member, or for any Guarantor, have been issued since the SOQ submission then the Proposal must include three (3) hard copies, one (1) electronic copy in PDF format, and one (1) electronic copy in Microsoft Excel format of the recent Financial Statements.

If Financial Statements have been issued for the Proposer, or in the event the Proposer is a joint venture or LLC, then for any joint venture member or LLC member, or for any Guarantor, since the SOQ submission, then the Proposal must include a statement from the Chief Financial Officer or Treasurer of the Proposer, or in the event the Proposer is a joint venture or LLC then each joint venture member or LLC member, or for each Guarantor, if



applicable, stating that Financial Statements have been issued for its respective entity since the SOQ submission. The Financial Statements must be prepared in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP).

If Financial Statements are prepared in accordance with accounting principles other than U.S. GAAP, a letter must be provided from a certified public accountant discussing the areas of the Financial Statements that would be affected by a conversion to U.S. GAAP.

- **U.S. Dollars** – Financial Statements must be provided in U.S. dollars. If Financial Statements are not available in U.S. dollars, the Proposer must include summaries of the Financial Statements for the applicable time periods converted to U.S. dollars, specifying the conversion rate used.
- **Audited** – Financial Statements must be audited by an independent party qualified to render audit opinions (e.g., a certified public accountant). If audited Financial Statements are not available for an entity, the Proposal shall include unaudited Financial Statements for such entity, certified as true, correct, and accurate by the Chief Financial Officer or Treasurer of the entity.
- **English** – Financial Statements must be prepared in the English language. If audited Financial Statements are prepared in a language other than English, translations of all Financial Statements must be provided with the original Financial Statements.
- **Newly Formed Entity** – If the Proposer is a newly formed entity and does not have Financial Statements, Financial Statements for the equity owners of the newly formed entity shall be provided (and the Proposer shall expressly state that the Proposer is a newly formed entity and does not have Financial Statements).
- **SEC Filings** – If any entity for which Financial Statements are submitted files reports with the Securities and Exchange Commission, then such Financial Statements shall be provided through a copy of its annual report on Form 10K and any subsequent reports filed on Form 10Q or Form 8-K.
- **Confidentiality** – The Proposer may identify any information which it believes is entitled to confidentiality under the Public Records Act or Freedom of Information Act, by marking each page “CONFIDENTIAL” as described in [Section 7.9](#).
- **Recent Credit Ratings** – If credit rating(s) for the Proposer, or in the event the Proposer is a joint venture or LLC then for any joint venture member or LLC member, and for any Guarantor, have been issued or changed, including credit rating outlook, since the SOQ submission then the Proposal must include a copy of the credit rating.

If no credit rating(s), including credit rating outlook(s), have been issued or changed for the Proposer, or in the event the Proposer is a joint venture or LLC then for any joint venture member or LLC member, or for any Guarantor, since the SOQ submission, then the Proposal must include a statement from the Chief Financial Officer or Treasurer of the Proposer, or in the event the Proposer is a joint venture or LLC then each joint venture member or LLC member, and for each Guarantor, stating that no credit rating(s), including



credit rating outlook, have been issued or changed for its respective entity since the SOQ submission.

- **Guarantor Letter of Support** – If the Proposer, or in the event the Proposer is a joint venture or LLC then any joint venture member or LLC member, has provided a guarantee as part of its SOQ submission, then the Proposal shall include a letter from each Guarantor stating that it will provide a performance guaranty in the form as set forth in (Book 2, Part A, Attachment G), and that it will financially support all the obligations of the Proposer with respect to the Project.

In addition, if the Proposer is offered the opportunity, at the sole discretion of the Authority, to add a Guarantor to its Proposal in accordance with Section 9.2.2, then the Proposal shall include a letter from the additional Guarantor stating that it will provide a performance guaranty in the form as set forth in (Book 2, Part A, Attachment G), and that it will financially support all the obligations of the Proposer with respect to the Project.

9.3 Technical Proposal Evaluation Criteria

The criteria that will be evaluated as part of the Technical Proposal are summarized below. Also listed below is information the Authority expects all Proposers to provide so the Technical Proposals may be thoroughly and fairly evaluated.

Note that, as discussed in Section 9.1 above, the Technical Proposals will be evaluated before the Price Proposals are opened. Therefore, the Technical Proposals shall not include any information with regard to the Proposer's Price Proposal.

The Raw Score for the Technical Proposal will be used to calculate the Technical Proposal Score as described in Section 9.5. The Technical Proposal Score comprises 30 percent of the Total Proposal Score. The maximum Technical Proposal Score is 30 points.

Table 4: Summary of Technical Proposal Evaluation Criteria

Evaluation Criteria	Maximum Point Value
Ability to Meet Schedules	15 points
Project Approach	25 points
Anticipated Problems/Proposed Solutions	10 points
Conceptual Engineering	20 points
Quality/Self Certification	20 points
Safety and Security	10 points
Raw Score for Technical Proposal	100 points

