



**NORTHERN INDIANA
COMMUTER TRANSPORTATION DISTRICT**

33 E. U.S. HIGHWAY 12 • CHESTERTON, IN 46302-3514

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**NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
BOARD MEETING**

October 2, 2015

Northern Indiana Commuter Transportation District

33 East U.S. Highway 12

Chesterton, IN 46304-3514

Public Session – 10:30 a.m. (CST)

BOARD MEMBERS PRESENT:

Jim Biggs
Mark Catanzarite
Christine Cid

Michael Repay
David Decker
David Prancus

Andrew Kostielney
Mark Yagelski

OTHERS PRESENT:

Harold Williamson - Passenger
Paul Willer - Passenger
Steven Lyons - Passenger
Andrew Fox – CSS
Roy Benedict – Passenger
Christopher Murphy –
American Structurepoint

Mel Jessup – Cass County Rail
Charlotte Read – Izaak Walton League
Mindy Cudhey – Bill Warrick’s Daughter
Norman Carlson – Metra Board of Directors
Julia Surber – VS Engineering
Greg Price - Passenger

STAFF PRESENT:

Michael Noland
Chuck Lukmann, Esq.
Victor Babin
Lisa J. Johnson

John Parsons
Boris Matakovic
Anthony Siegmund
Robert Byrd

Keith Casey
Robert Byrd
Laura Harrington
Joe Crnkovich

CALL TO ORDER

Board Vice-Chairman, Mr. Biggs, called the meeting to order and asked that those present stand for the Pledge of Allegiance.

MEETING MINUTES:

Mr. Biggs requested approval of the minutes from July 31, 2015. Mark Yagelski motioned to accept the Public Session and Executive Session Board minutes for July 31, 2015. The motion was seconded by Christine Cid. The motion was approved unanimously.

PUBLIC COMMENT

Mr. Roy G. Benedict stated that he is a frequent South Shore Line passenger from Chicago for 59 years, and appreciates the meeting schedule change to 10:30 a.m. allowing riders on Train 7 to attend the full meeting.

GENERAL MANAGER'S REPORT

News From Washington – Positive Train Control Update. Mr. Noland reported that a final transportation funding bill has not yet passed Congress and we continue monitoring the situation. Mr. Noland just returned from a meeting with the Federal Railroad Administration regarding the looming Positive Train Control deadline. He reported that we have received tremendous support from the Indiana delegation, specifically Representatives Visclosky and Walorski as well as Senators Donnelly and Coats to extend the deadline. There is a proposed Bill that will provide for relief and an extension of Positive Train Control to 2018 with additional extensions based upon good faith efforts. We support the passage of that Bill. There will be a Resolution for the Board's consideration today.

Trustee Yagelski inquired about any possible monetary help from the government for PTC. Mr. Noland replied that there is a Bill in the Senate that does provide for some funding. Considering the potential overall costs, the amount possibly provided will not be sufficient.

Regional Cities Initiative. Mr. Noland stated there are seven different regional authorities in the state. Two local RDAs have listed the South Shore as one of their key projects and are looking to fund catenary renewal (Northern Indiana) as well as engineering seed money to move the entrance from east side of South Bend Airport to the west side. If granted, we would be able to finish the catenary project in one year, and also upgrade eight miles of our rail. We would also lengthen Birchim siding from .5 mile to 1.5 miles. The Northwest Indiana RDA proposal would allow us to add 14.2 miles of double track. We would have double track from the LaPorte/Porter border all the way to Chicago, and would give us tremendous operating flexibility, improve on-time performance, add more service, and reduce travel time, a key element that the Board identified in the Strategic Plan. Mr. Noland will provide testimony to the Indiana Economic Development Corporation who, in turn, will be evaluating the proposals.

Mr. Biggs asked about the Transit Oriented Development award. Mr. Noland stated that NICTD was recently awarded a nationally based competitive planning grant. Under the proposal the Lake/Porter RDA will provide the local share and hire a firm to provide guidance to the West Lake communities on how to maximize Transit Oriented Development opportunities. NICTD will work with the RDA on an interlocal agreement governing the management of the project.

RESOLUTION 15.05 – A RESOLUTION ON PREPARING AN INTERLOCAL AGREEMENT WITH THE NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY TO MANAGE AND IMPLEMENT THE TRANSIT ORIENTED DEVELOPMENT PLANNING GRANT.

Mr. Noland introduced a resolution to provide the authority for the South Shore to enter into an interlocal agreement with the RDA.

Mr. Biggs requested Mark Catanzarite to read the resolution.

Mr. Catanzarite read the title and initial description of Resolution 15.05, and requested legal counsel to give a brief explanation as to what this resolution would do. Mr. Lukmann explained that this Resolution would authorize the South Shore to enter into an interlocal agreement with the RDA to manage implementation of the federal TOD grant. This Resolution would direct the General Manager to execute the agreement.

Christine Cid motioned to approve the resolution. The motion was seconded by Mark Yagelski. The motion was approved unanimously.

State of Good Repair Update.

Mr. Noland stated that while NICTD is waiting for a Regional Cities grant to complete the catenary project between Michigan City and South Bend; our crews continue working to complete 5.5 miles this year as part of our annual Capital Program. Mr. Noland commended the NICTD employees for their great work on this project.

Mr. Noland stated that we are in the process of upgrading the Wickliffe Substation and we anticipate having it online late October. Mr. Noland explained that we continuously work to keep all components of the railroad in good repair and working order. The Wickliffe Substation is the first of ten set to be upgraded. Mr. Noland points out that Metra faces the same ongoing upkeep and upgrading of substations.

Mr. Noland stated that the track replacement and renewal at 11th Street in Michigan City went well. The project was completed weeks ahead of schedule. Michigan City took the opportunity to renew the street itself at the same time.

Mr. Noland discussed the improvements needed at Dune Park Station including the ADA ramps, the washrooms and some of the facilities in the office itself. The contract has been awarded to Larsen Danielson and will run about five weeks.

Mr. Noland also reported that the South Bend Airport platform has been replaced and will officially open on October 5.

West Lake DEIS Status Report.

Mr. Parsons stated that the AECOM study team continues to work on various design options associated with the Draft Environmental Impact Statement and working cooperatively with the Federal Transit Administration. The team has been gathering data and undertaking analyses that will feed various technical reports. We have been meeting with communities along the corridor and have a series of workshops scheduled during the week of November 9th. The workshops are designed to both to share NICTD's progress with the public and to continue to gather public input along with suggestions and concerns.

Bikes on Trains Status Report.

Mr. Noland stated that the prototype evaluations have been completed, and we have ordered 16 prototypes to be shipped to us. NICTD plans to have them installed and tested before the end of the year to be better prepared for the pilot program set to begin in April of 2016.

Mr. Prancus asked what the total amount of racks will be. Mr. Noland replied that 25 and 30 racks per car will be ordered and installed.

Wifi on Trains.

Mr. Noland explained that a test pilot for Wifi has been implemented on select cars. Boris Matakovic, NICTD's CIO, researched the technology options along with pricing and reliability. Wifi was installed on ten trailer cars. A feedback survey was provided to the public. To date, it is a positive experience and NICTD will continue to move forward.

Mr. Matakovic stated that the test cars are the 200-series cars. Inside those cars are signs with instructions on how to connect. He also stated that he will be bringing a recommendation to the NICTD Board in the near future regarding possible plans to install WiFi in the balance of the fleet. Mr. Noland also suggested that NICTD explore installation of WiFi in the waiting area at Millennium Station. Metra has now begun to research Wifi on their trains through a similar "test of concept". Mr. Biggs asked about the fees involved. Mr. Matakovic stated that the fee is \$45.00 per car/month. NICTD, as a government agency, negotiated with AT&T, the provider. NICTD selected AT&T after a technical survey conducted by the University of Notre Dame determined that AT&T was the best provider and will provide the best coverage.

Bank On Northwest Indiana Status Report.

Mr. Noland discussed the press conference held at the NICTD Dune Park offices on September 14, 2015, for the kick-off the campaign for the partnership with Bank On and the South Shore Railroad. The kick-off was a tremendous success. The State Treasurer attended. Many enthusiastic financial partners joined as well. Laura Harrington is our lead on this and has done a wonderful job. This is an opportunity for us to help the people and communities, and we are very excited to be a part of it.

Mr. Catanzarite thanked Laura Harrington and Bank On staff for their work on this, and also thanked Board member David Pranckus for bringing his concerns regarding the unbanked to our attention so that we could address the matter. Mr. Catanzarite will work toward getting a Bank On presence in St. Joseph county as well. Ms. Harrington stated that there had been a meeting in South Bend to discuss forming a Bank On North Central Indiana which would encompass Porter, LaPorte, St. Joseph and Elkhart Counties.

RESOLUTION 15-03 – A RESOLUTION IN MEMORY OF WILLIAM “BILL” WARRICK.

Mr. Lukmann announced Resolution 15.03 – Resolution in Memory of Bill Warrick. Mr. Biggs introduced Mr. Warrick’s daughter, Mindy Cudney. Ms. Cudney introduced herself and thanked the South Shore and spoke of how much her father loved the South Shore. Mr. Parsons told of Mr. Warrick’s role as a South Bend TV reporter and his invaluable contribution to raising public awareness for the need to save the passenger service in the mid-70’s that lead to the creation of NICTD.

Mr. Catanzarite read aloud the Resolution in full. David Decker motioned to approve the resolution. The motion was seconded by Andrew Kostielney. The motion was approved unanimously.

RESOLUTION 15.04 – A RESOLUTION AUTHORIZING THE PURCHASE OF REAL ESTATE AND APPOINTING APPRAISERS TO APPRAISE THE FAIR MARKET VALUE OF SAID REAL ESTATE.

Mr. Noland introduced three different real estate items for the Board’s consideration. The first properties (3 parcels) are along Hohman Ave in Hammond and would provide additional parking for South Shore commuters. The other two properties are in Michigan City. One is a small property in the northwest quadrant of our materials storage and overflow parking lot on Carroll Ave. This parcel was not included in the prior tax sale and has been abandoned for years. The final parcel (Shoup property) is located along Springland Ave. and abuts our maintenance campus. The Resolution authorizes NICTD to proceed to the next steps in these acquisitions. Mr. Lukmann explained that this Resolution will authorize the General Manager to proceed with acquiring all these parcels by the proper statutory method. For the Hammond and Shoup properties NICTD will hire appraisers and offer the average of the two. The third property has a value under \$25,000. Mr. Lukmann is registered to attend the tax sale of this property.

Andrew Kostielney motioned to approve the resolution. The motion was seconded by Christine Cid. The motion was approved unanimously.

RESOLUTION 15.06 – A RESOLUTION ON SOUTH SHORE LINE SERVICE SUSPENSION IN EVENT POSITIVE TRAIN CONTROL DEADLINE IS NOT EXTENDED.

Mr. Noland reminded the Board that PTC under current law NICTD is required, as is every passenger railroad, to have PTC in place by December 31, 2015. NICTD has reached the same conclusion as Metra that – absent having PTC in place by that deadline – we do not believe there is legal authority to operate. Mr. Noland requests the Board to (1) formally approve the Resolution that states we will be shutting service down the passenger service as of midnight December 31, 2015; (2) that we will continue working toward implementation of PTC and send a message of support to the members in Congress encouraging them to work towards an extension. Mr. Noland met with the CEOs of other commuter properties around the country and spoke with many of the leadership in Washington. All have expressed the continued need for encouragement and support for what our Congressmen are doing. Mr. Noland requests the Board to approve this Resolution.

Mr. Biggs commended Mr. Noland and his staff for all of the work done concerning PTC. Andrew Kostielney motioned to approve the resolution. The motion was seconded by Christine Cid. Ms. Cid stated that our hands are tied and there is no other choice but to follow the law. Mr. Catanzarite reminds the Board that Mr. Noland sent a letter to the Federal Railroad Administration on our behalf that is still unanswered. This letter asked for guidance, advice and requesting permission to extend the deadline. The letter also notified the FRA that NICTD would be unable to comply with the law. Absent an extension from Congress, Mr. Catanzarite sees no other available option but to suspend service.

Mr. Yagelski stated there was talk that NICTD “sat on their hands” and now we are trying to react. That is untrue. We have been to Washington and APTA Conferences discussing this issue. The issue is that this mandate was passed without any off-the-shelf Positive Train Control technology available. He described that it is extremely complex and requires “interoperability” with any other railroad in the country. Once a system was available, NICTD would have to have the same system as Metra.

Mr. Kostielney pointed out that there are no commuter railroad systems in the country that could operate as of January 1, 2016 – this is not an issue just for the South Shore. Across the entire country, they would have to shut down. Mr. Prankus asks if an extension through 2018 would be sufficient to implement PTC. Mr. Noland replied that the language of the proposed extension contains language to grant additional time beyond if you show good faith, have a system in place and you are testing the system and awaiting the FRA to approve.

Mr. Yagelski stated that the law is different for the South Shore freight line. Their system will not have to shut down. Mr. Fox, President of SouthShore Freight, explained the different products carried on the freight line and that the PTC requirement applies only to carrying hazardous commodities, and that the whole freight industry seemed to be moving toward issuing an embargo on those commodities this fall so that there would no longer be any moving by New Year’s Day. Absent the fact that there are no passenger trains running, there is no requirement then that we have PTC, so we will run.

Mr. Biggs reiterated that there is a motion on the floor and it has been seconded. The motion was approved unanimously.

RIDERSHIP & PERFORMANCE REPORT

Mr. Parsons stated that for 2014-2015 through September, NICTD carried just over 2.7 million passengers. Ridership is up just under 1% for the year. The average weekday is positive, and it is really being driven by peak ridership which is up. Off-peak remains soft. We are expecting weekend ridership to remain unchanged. We will have USC coming in October and utilizing 14 extra cars going into South Bend for the Notre Dame game.

Weekday peak on time performance is 91%, off-peak is 83.5%, and weekend is at 86%. Overall we are at 86.4% for the year. NICTD ran 9,600 trains through September with 8,300 of those trains being on time.

Mr. Parsons informed the Board that there is a shift from ticket sales by the ticket agents and conductors to vending machines and mobile app. There is a 4.8% increase in revenue over last year with only two months under the fare increase. The sale of one-way tickets accounts for almost half of our total system revenue. Our occasional rider is a significant revenue generator for us. Upcoming events include the Chicago Marathon, and we will have weekday service to McCormick Place on the Friday before the Marathon so that people can pick up their race packets. We are also going to offer an extra early morning train heading to Chicago for the Marathon. We will, in conjunction with the South Shore Convention and Visitors Bureau sponsor the Lincoln Funeral Train which will be on display at the Visitors' Center.

On November 21st, there will be the Magnificent Mile Lights Festival to kick off the holiday.

OPERATIONS REPORT

Bill O'Dea addressed the Board and noted an improvement in on time performance for our rush hour period. We stand at just 93% for rush hour trains. Maintenance and construction work had an adverse effect on on-time performance on mid-day trains and with the single-track environment. Mr. O'Dea emphasized how the investments in the work during the spring, summer and fall produces a railroad that is really in excellent shape at this point as has manifested in the last two winters. We have two initiatives and are working with our Chief Mechanical Officer which includes door problems and air bag issues.

We have 17 new hires in our transportation department, and we have another class yet to hire. Winter preparedness is underway. We will continue to work on on-time performance.

Mr. Noland informed the Board that he routinely receives compliments regarding the on board crew. The friendliness, courtesy and attention are something we should be proud of as they are a great reflection on the company.

RECOMMENDATION TRACK DEPARTMENT

BURNHAM AVENUE SAFETY IMPROVEMENTS

Bid

October 2, 2015

A. SCOPE

The Engineering Department has requested bids for Burnham Avenue safety improvements near the Hegewisch Station. The work will include improving the roadway crossings on Burnham Avenue around the NICTD tracks and the Norfolk Southern Tracks. This includes installing new depressed curbs around the track locations, improved pavement markings and flashing safety beacons. The work is being done in conjunction with Norfolk Southern and Illinois Department of Transportation (IDOT) to make this track area safer for vehicle traffic. The project is funded by IDOT. Bids were solicited for the work described and a public bid opening was held at the Dune Park Offices on Friday, September 4, 2015.

B. ADMINISTRATIVE REVIEW

1. Legal Notifications

The request for crossing improvements was advertised both regionally and nationally. The legal advertisement was placed in the following publications:

The Times
News Dispatch
South Bend Tribune
Chesterton Tribune
Chicago/Gary Crusader
Axis Track Report-Internet
NICTD's Website

2. Bid Review

A total of ten (10) bid packets were sent out for the crossing improvements prior to the pre-bid meeting and only two (2) contractors attended the pre-bid meeting. The request resulted in the receipt of one (1) bid.

3. DBE & Required Forms

The bid was evaluated for responsiveness to determine if it could be accepted for further review.

All forms have been correctly submitted and were found to be within the guidelines set forth by the Federal Transit Administration (FTA).

C. ENGINEERING REVIEW & PRICE ANALYSIS

The bid was evaluated for responsiveness to the technical specifications. Midwestern Electric, Inc. was deemed a responsible and responsive bidder and took no exceptions to the technical specifications.

Contractor Name	Burnham Avenue Safety Improvements	Form 95/ Form 96	Eligible Bidder	Lower Tier	DBE %	Non-Discrim.	Rest. Lobby	Drug Free	Buy America	Bond
Midwestern Electric, Inc. East Chicago, IN	\$108,550.00	X	X	X	20.0%	X	X	X	X	X

Engineer's estimate: \$97,500.⁰⁰

Lowest and most responsive bidder was 11% (\$11,050.⁰⁰) more than the engineer's estimate.

Midwestern Electric, Inc.'s DBE amount was 20%. (\$21,800.⁰⁰)

NICTD's Engineering Department has reviewed the bid and technical specifications and has deemed Midwestern Electric, Inc. as a competent contractor.

D. DELIVERY

Midwestern Electric, Inc. can meet NICTD's construction schedule.

E. RECOMMENDATION

The Staff recommends that Midwestern Electric, Inc., East Chicago, IN, be awarded the contract for the Burnham Avenue Safety Improvements in the amount of One Hundred Eight Thousand Five Hundred Fifty Dollars and 00/100 (\$108,550.00).

The Staff is requesting that the Board grant the General Manager the authority to issue a Notice to Proceed for the Burnham Avenue Safety Improvements at his discretion.

Ms. Cid made the motion that Midwestern Electric, Inc. be awarded the Contract for the Burnham Avenue Safety Improvements in the amount of One Hundred Eight Thousand Five Hundred Fifty Dollars and 00/100 (\$108,550.00). The motion was seconded by Mr. Catanzarite. Mr. Yagelski stated that he was very glad to see a 20% DBE, which is a lot higher than they have been in the past. The motion was approved unanimously.

**RECOMMENDATION
TRACK DEPARTMENT
TIE INSERTER
Bid
October 2, 2015**

A. SCOPE

The Track Department has requested bids for a new production tie inserter to be used for ongoing track projects. The tie inserter is used for removing old ties and inserting new ties under the rail. The old tie inserter and a retired ballast regulator machine were offered for trade and will be part of this contract. Bids were solicited for the tie inserter and a public bid opening was held at the Dune Park Offices on Thursday, September 17, 2015.

B. ADMINISTRATIVE REVIEW

1. Legal Notifications

The request for the tie inserter was advertised throughout the region and nationally. The legal advertisements were placed in the following publications:

APTA
News Dispatch
The Times
Chesterton Tribune
Gary/Chicago Crusader
South Bend Tribune
NICTD website

2. Bid Review

A total of two (2) packets were requested for the tie inserter prior to the bid opening. The request resulted in the receipt of one (1) bid.

3. DBE and Required Forms

The bids were evaluated for responsiveness to determine if the bids could be accepted for further review.

It was determined that all necessary forms and requirements had been submitted and were approved by the appropriate NICTD Staff. All forms had been correctly submitted and were found to be within the guidelines set forth by the Federal Transit Administration (FTA).

C. ENGINEERING REVIEW & COST ANALYSIS

The Bid was evaluated for responsiveness to the Technical Specifications. The bidder was responsive and took no exceptions to the Technical Specifications. There was one option associated with this bid and it was determined this was not needed.

Vendor	Tie Inserter	Trade-In	Final Bid Amount	Form 95	Eligible Bidder	Lower Tier	DBE %	Non-Discrim.	Rest. Lobby	Drug Free	Buy America	Cert. of Qual.
Nordco	\$362,308.00	\$20,000.00	\$342,308.00	X	X	X	1.0%	X	X	X	X	X
Oak Creek, WI												

Equipment to be traded:

#603; 1995 Fairmount Ballast Regulator; 5,500 hours \$5,000.00

#616; 2000 Harsco TKO Tie Inserter; 5,500 hours \$15,000.00

Engineer's Estimate: \$340,000.00

Nordco submitted a DBE amount of 1% (\$3,500.00).

D. DELIVERY

Nordco can meet the District's delivery schedule for 2015.

E. RECOMMENDATION

The Staff recommends that Nordco, Oak Creek, WI, be awarded the tie inserter Contract in the amount of Three Hundred Forty-Two Thousand Three Hundred Eight Dollars ⁰⁰/100 (\$342,308.⁰⁰).

The Staff is requesting that the Board grant the General Manager the authority to issue the notice to proceed for the tie inserter at his discretion.

Mr. Decker made the motion that Nordco be awarded the Contract for the tie inserter in the amount of Three Hundred Forty-Two thousand Three Hundred Eight ⁰⁰/100 (\$342,308.00). The motion was seconded by Mr. Kostielney.

Ms. Cid asked whether our used equipment had been sold via online means. Mr. Siegmund indicated we had, but the amount was the same and no advantage. The motion was approved unanimously.

RECOMMENDATION
INFORMATION TECHNOLOGY DEPARTMENT
TICKET VENDING MACHINES (TVM)
Sole Source Proposal
October 2, 2015

A. SCOPE

Information Technology has requested a proposal for Nineteen (19) ticket vending machines from VenTek International for additional machines as listed below. These machines accept credit cards only and are intended to improve customer access in the process of purchasing tickets. VenTek is the current supplier of ticket vending machines and have worked very well for the District since 2009. Currently the District has twenty-nine (29) ticket vending machines in service.

Proposed 2015 TVM Purchase	
# Machines	Station
2	Museum Campus
2	57 th Street
2	Hegewisch
2	Hammond
2	Gary/Chicago Airport
1	Miller
2	Beverly Shores
2	11 th Street
2	Carroll Avenue
2	South Bend Airport
19	Total Machines

B. AVAILABLE SOURCES

VenTek International. Original Equipment Manufacturer (OEM)

Sole Source: No other manufacturer is known to work with our existing ticket vending machines and software.

C. PRICE ANALYSIS

Engineer's estimate: \$16,500 per Ticket Vending Machine

NICTD's Information Technology Department has reviewed the proposal and technical specifications and has deemed VenTek International as a competent vendor. It was determined that they understand the scope of work and that they have the appropriate staff to complete the project.

PRICE ANALYSIS				
Price per TVM	2009	2013	2015 Initial	2015 Negotiated
	\$17,125	\$16,662	\$17,125	\$15,413

10% Cost Reduction \$1,711 Per Unit

D. DELIVERY

VenTek can meet NICTD’s delivery schedule.

E. RECOMMENDATION

The Staff recommends that VenTek International, Petaluma, California, be awarded the contract for the Nineteen (19) Ticket Vending Machines in the amount of Three Hundred Thousand Eight Hundred Fifty-Four Dollars and ⁶⁰/100 (\$300,854.⁶⁰).

The Staff is requesting that the Board grant the General Manager the authority to issue a Notice to Proceed for the Ticket Vending Machines at his discretion.

Mr. Decker made the motion that VenTek International be awarded the Contract for the Nineteen (19) Ticket Vending Machines in the amount of Three Hundred Thousand Eight Hundred Fifty-Four Dollars and ⁶⁰/100 (\$300,854.60). The motion was seconded by Ms. Cid. Ms. Cid added that it is great that more machines are being installed.

Jim Biggs	Yes
Mark Catanzarite	Yes
Christine Cid	Yes
Michael Repay	Yes
David Decker	Yes
David Pranckus	No
Andrew Kostielney	Yes
Mark Yagelski	Yes

7 Yes – 1 No = 8 votes

Motion carries to award contract to VenTek International.

**RECOMMENDATION
ENGINEERING
POSITIVE TRAIN CONTROL (PTC)
Proposal
October 2, 2015**

Mr. Noland introduced Victor Babin, Chief Engineering Officer, to explain Positive Train Control and what it entails. Mr. Babin gave a history of NICTD and PTC as well as steps NICTD has already taken and what is needed.

A. SCOPE

The District has been working on the implementation of a new wireless communications based safety system called Positive Train Control (PTC). This is a federally mandated system.

The Request for Proposal (RFP) is designed to select a contractor that can perform a turn-key project for the District. A Contractor that can perform the provisioning, design, fabrication, construction and complete installation of an Interoperable Electronic Train Management System (I-ETMS). The District has employed the services of Gannett Fleming to be our consultant to ensure the project encompasses all the features that are required and is built according to our specifications.

The current RFP is the second attempt for this design build project. The first RFP was in July of 2014 and resulted in one proposal for over \$120 million. The District performed a post proposal analysis on the specifications to identify the drivers of this cost. It was determined some section items could be further defined, but one of the main drivers was that PTC is an undeveloped technology. A second RFP was solicited in February 2015 with the results of this request below.

B. ADMINISTRATIVE REVIEW

1. Legal Notifications

The request for PTC was advertised throughout the region and nationally. The legal advertisements were placed in the following publications:

APTA	Axis Track Report-Internet
News Dispatch	Indy Star
The Times	
Gary/Chicago Crusader	
Chesterton Tribune	
South Bend Tribune	
NICTD website	

2. Proposal Review

A total of thirty-one (31) packets were requested for the PTC project. Many of these requests were from subcontractors getting information to submit pricing to prime contractors. There were only three (3) prime proposers in this group, which resulted in the receipt of one (1) proposal.

3. DBE and Required Forms

The proposal was evaluated for responsiveness to determine if it could be accepted for further review.

All forms have been correctly submitted and were found to be within the guidelines set forth by the Federal Transit Administration (FTA).

C. STAFF REVIEW

Team Evaluation Review:

After review of the proposal, the team conducted a technical review workshop to identify all the clarifications and how these affected the overall intended performance of our specifications. All of the clarifications were addressed and the team concluded that we could enter into negotiations. The chart below represents these negotiation meetings.

PRICE NEGOTIATION MEETINGS

Original Proposal June 19, 2015	1st Meeting July 24, 2015	2nd Meeting August 14, 2015	3rd Meeting August 19, 2015	4th Meeting September 3, 2015	5th Meeting September 15, 2015
\$92,763,363	Reviewed proposal costs in detail	\$86,263,363	\$81,763,000	\$81,763,000	\$79,998,871

Both NICTD and the contractor were part of the negotiation process and both parties looked at all items in great detail to identify the intent and the need. The concessions that the District determined are acceptable without jeopardizing the end functionality of the project.

Engineer's Estimate: \$70,800,000.⁰⁰

Parsons Transportation Group's DBE amount was 4%. (\$3,199,954.⁰⁰)

D. RECOMMENDATION

The Staff recommends that the Board grant the authority for the General Manager to award the contract to Parsons Transportation Group in the amount of Seventy-Nine Million Nine Hundred Ninety-Eight Thousand Eight Hundred Seventy-One Dollars and ⁰⁰/100 (\$79,998,871.⁰⁰).

The Staff is requesting that the Board authorize NICTD's General Manager, Michael Noland, to execute an appropriate contract and amendments, as he may deem desirable, with Parsons Transportation Group, Inc., in order to allow for the acquisition of a NICTD Positive Train Control System.

Mr. Yagelski made the motion that Parsons Transportation Group be awarded the Contract for the Positive Train Control system in the amount of Seventy-Nine Million Nine Hundred Ninety-Eight Thousand Eight Hundred Seventy-One Dollars and ⁰⁰/100 (\$79,998,871.⁰⁰). The motion was seconded by Mr. Decker.

Mr. Yagelski asked what the ongoing costs would be. Mr. Babin explained that most of the bandwidth was purchased by PTC220 LLC, a consortium owned by the Class 1 Railroads. If you need to use that spectrum, you need to go to them. They are also the companies who are setting up the national network. They also own the radio companies – they own the companies with the radios that you have to have. Mr. Yagelski stated that he knew the answer to his question; however, he wanted it to be announced that this is all brought by a group of people who own part of this too.

Mr. Noland indicated that service is estimated to be \$700,000 for year. The contract negotiated with Parsons Transportation Group includes 10 years of service; however, we will have to pay for licenses. It could cost an additional million or two a year in operating costs moving forward. However, this is a safety system and there are costs that are not being funded. Mr. Yagelski reminded the Board that there will be other costs and other future investments that the railroad will need to make, so this bond will make it more difficult for us to obtain any future bonds to keep the railroad going. Mr. Yagelski stated that funds should have been made available for this. Mr. Noland explained that once the PTC bond issue is complete, NICTD will have no more self-generated capacity for bonding once we pay for this system. Mr. Prankus requested confirmation that the HR bill has no funding. Mr. Noland explained that the House bill has no funding; however, there was a Senate bill that was discussed and has been considered that does have a small amount of funding available. However, that amount would be grossly insufficient. Mr. Catanzarite reminded that there needs to be funding available to keep the rolling stock safe and functioning properly. The motion was approved unanimously.

Mr. Noland introduced Norm Carlson, a member of Metra's Board. Mr. Carlson shared some of his memories regarding Bill Warrick. Mr. Carlson also discussed Metra's Southeast Service concept as it relates to NICTD's West Lake Corridor Project. Mr. Carlson explained that Metra's recent resolution supports the development of the Southeast Service plan and acknowledges that it does not have funds to advance the project. Metra does support the West

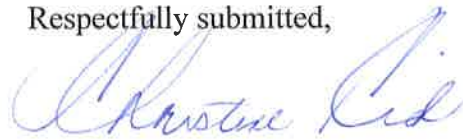
Lake Corridor Project and therefore Metra is working very closely with NICTD to advance the project

Mr. Carlson also informed the Board of Metra's efforts to install PTC and to extend the statutory deadline from December 31, 2015 to December 31, 2018. He also mentioned that Metra will be unable to operate passenger service beyond December 31, 2015 if the deadline is not extended.

ADJOURNMENT

Mr. Biggs called for a motion to adjourn. Mr. Yagelski made the motion to adjourn. The motion was seconded by Ms. Cid. It was so moved. The next NICTD Board Meeting is scheduled for November 20, 2015.

Respectfully submitted,



Christine Cid, Board Secretary

LJJ 10/02/15

