



IndianaHarbor Belt Railroad

Pre-Qualification Announcement

Locomotive Fuel Conversion Project

CNG Fuel System and Onboard Fuel Cylinders

Summary:

Deadline for submissions: 12 Noon Central Standard Time on MARCH 17, 2014

All Submittals should be addressed to: Michael.nicoletti@ihbrr.com

Hard Copies should be submitted to:

Michael Nicoletti
IndianaHarbor Belt Railroad
2721 161st St
Hammond, Indiana

This Fuel System Pre- Qualification Announcement is limited to the Onboard CNG cylinders, trackside fueling apparatus, compressors, piping and accompanying support products.

*This is **NOT** the Pre- Qualification Announcement for the Locomotive CNG fueled or CNG/diesel fueled engines and fabrication. The Locomotive Engine Pre- Qualification Announcement is being released separately.*



Locomotive Fuel Conversion Project

CNG Fuel System and Onboard Fuel Cylinders

Pre- Qualification Statements of Interest Announcement

In 2014 the Indiana Harbor Belt Railroad (IHB) will source for a vendor to design and implement a refueling system to accommodate Compressed Natural Gas (CNG) as a fuel source for locomotives. The specific actions to be sourced are for a design and implementation of onboard locomotive CNG fuel cylinders, a trackside fueling system, and a conveyance and support system of CNG from the mainline pipeline to the trackside distribution node. The conveyance and support system are envisioned to be compressors, storage, and piping from the main line tap to the trackside fueling apparatus.

The IHB will source a Potential Vendor that has proven qualifications to design and implement a fueling system that optimizes the on board storage of CNG within the very general parameters and limitations set forth in this Announcement. The Potential Vendor must also demonstrate financial stability to undertake the multi year project.

This effort by the IHB will be the first locomotive fuel source change of a fleet performed in North America. The IHB has chosen to pursue CNG or CNG mixed with diesel as a fuel source. *The IHB will not consider in any form, any submission calling for Liquefied Natural Gas (LNG) fuel systems.*

This Announcement does not request information as to the specifics of how the Vendor will design and implement the fuel system, nor does it request specific cost or schedule data. This Announcement is set forth to determine the qualified Potential Vendors who may proceed within the IHB selection process. The emphasis of this Announcement is upon screening a selected group of Potential Vendors who pass threshold qualifications to design and implement a CNG fueling system suitable for IHB locomotives, and who possess sufficient financial resources to complete this project.

Potential Vendors **judged qualified under this Announcement will receive the General Request for Proposals, to be issued at a later date. Only those Potential Vendors judged qualified under this Announcement will receive the Request for Proposal to design and implement a CNG fuel system for use by the IHB.**

This IHB Announcement is open to all who may consider themselves as Potential Vendors. Potential Vendors may compete as individual firms, joint ventures, or in partnership with other Potential Vendors. Qualifications submitted by a joint venture or partnership should be explicit as to the individual firms contributing the qualification. Financial information may be aggregated by a partnership or joint venture.



The IHB will be the sole decider of Potential Vendors judged to have qualifications that enable them to receive the Request for Proposals, which will be issued at a later date. The IHB expects that following this Pre- Qualification Process, the RFP for the design and implementation of the CNG fuel system will occur before the 3rd quarter of 2014.

The IHB requires that each applicant complete the Non- Disclosure Agreement contained as Attachment C to this Announcement. This agreement may not be altered or edited in any manner, and must be returned fully executed as is.

Please note that the IHB reserves the right to later bid the CNG Fuel System components into separate parts. Specifically, the onboard CNG cylinders and trackside fueling apparatus as one package, and the compressor, pipeline and supporting equipment as a separate package. Potential Vendors should explicitly indicate in their submission if they are seeking Pre Qualification for one or both of the CNG Fuel System packages outlined above.

Interested potential vendors are requested to submit the documents requested and required within this Announcement no later than 12:00 Noon (Central Standard Time) MARCH 17, 2014. Late submission will be disregarded. Submissions should be via email, AND via hard paper copy. Email submissions must be made prior to the date and time specified. Hard paper copy must be postmarked by the date specified.



TECHNICAL QUALIFICATIONS:

The IHB is interested in sourcing from Potential Vendors who have experience in designing and implementing CNG fuel system. Particular emphasis is placed on the ability of the Potential Vendors to produce a CNG fuel system for the off road setting. Experience in the design and implementation of CNG fuel systems in the off road or locomotive setting should be emphasized in a response. The effort of the Potential Vendor is to fully demonstrate to the IHB that they are capable of designing and implementing a CNG fuel system for the IHB locomotives. The Potential Vendor should spare no effort to prove they are capable of this task, and to portray all experience the Potential Vendor possesses in the CNG fueled locomotive field.

Interested Potential Vendors must provide the following documentation to the IHB:

1. Provide a statement of qualifications related to the expertise possessed by your company to devise and implement a CNG fuel system. Potential Vendors are advised to be as detailed and descriptive as possible in declaring the readily available expertise in CNG fuel storage technology
2. Provide a detailed list of all prior CNG fuel systems designed and implemented in the past 10 years. This fuel system may include equipment from the point of the fuel main source to the trackside. Equipment may include compressors, dryers, pipeline and support components. Provide a full description of the projects, including capacity of CNG delivered, and the date of completion.
3. Provide a point of contact reference for each CNG fuel system listed in Item #1.
4. Provide a detailed list of any Onboard CNG Fuel Cylinders designed, produced, or implemented by your company. Provide specific information concerning the volume and quantity of these cylinders, type of use, and current disposition of them
5. Provide a point of contact for any customer who received the Onboard Fuel Cylinders listed in Item #3
6. Describe in detail your proposed manufacturing facility that will be used to complete the IHB project. Detail whether this is an owned facility, or a leased facility (a contracted shop). Provide full information concerning the proposed fabrication facility, including experience and capacity to produce CNG cylinders, drawings of any facility, size of workforce, technical capacities, and all other information that will bolster the Potential Vendors proposition that they are qualified to perform CNG cylinder fabrication at this site.
7. Provide a detailed explanation of experience possessed by your company with the USDOT in the inspection, testing and acceptance of fuel cylinders, fuel systems, and CNG cylinders.



FINANCIAL QUALIFICATIONS

The Potential Vendor needs to demonstrate financial security that would allow them to fabricate Onboard CNG Fuel Cylinders and fueling equipment in advance of payment from the IHB. All CNG fuel systems fabricated by the Potential Vendor will need to undergo inspection and certification per any and all United States Department of Transportation requirements. Potential Vendors are requested to:

1. Provide proof that your company/team has a minimum 2 million dollar credit line or cash ready reserve.
2. Provide a Statement of Cash Flows for the period between January 2013- January 2014

BUY AMERICAN CERTIFICATION

The IHB requires that the fabrication of the CNG Fuel System be fully fabricated in the United States, with a preponderance of American components. The Onboard CNG Fuel Cylinders and the trackside fueling apparatus will be accomplished using Federal Funds, and will be subject to the Buy American Act (48CFR Part 25, Subpart 25.1)

The Potential Vendor should plan to fabricate the CNG Fuel Cylinder and trackside fueling apparatus in the United States. The IHB stresses that components for this fuel system should be domestically sourced. The exceptions to this would be the use of a foreign component that is:

1. Replacing a domestic component that cannot be located in the United States
2. Replaces a domestic component that is cost prohibitive. (Please describe the cost benefit analysis of using the foreign component in place of a domestic component)
3. Replaces a domestic component that is clearly inferior (Please describe the inferiority of the domestic components, and efforts to obtain the foreign component)

The Potential Vendor is requested to posit a CNG Fuel System of CNG Onboard Fuel Cylinders, trackside apparatus, and conveyance. Based upon this posited System, the Potential Vendor should analyze the components of the Fuel System and then prepare an analysis of components sourced in the United States. The Potential Vendor should then ascertain what components would need to be sourced from outside the United States. The Potential Vendor should gather this analysis and prepare a detailed memo including:

1. The percentage of American sourced components versus foreign components
2. The reasons for sourcing any foreign components and the cost of those components. This explanation should include why the foreign component was selected (e.g. cost, availability), and the efforts undertaken to find domestic components.
3. A spreadsheet detailing foreign sourced components , including their relative role in cost and function in the total CNG Fuel System



4. A statistical percentage of foreign components versus domestic components.
5. A description of the projected CNG cylinder fabrication location.

Potential Vendors are requested to visit <http://www.dot.gov/highlights/buyamerica> and to examine 48CFR Part 25, Subpart 25.1 for full information concerning the Buy America requirements.

Assembly of Response

The Potential Vendors are requested to assemble their replies to this Announcement as follows:

Section 1 – Points of Contact for Submission for Potential Vendor

Section 2- Introduction to the Potential Vendor

Section 3- Technical Qualifications of the Potential Vendor

Section 4- Financial Qualifications of the Potential Vendor

Section 5- Buy America Analysis for Posited CNG Fuel Onboard Cylinders, trackside fueling apparatus, compressors, and piping

Section 6- Completed Attachment C- IHB Non Disclosure Agreement

Attachments

- A. GSA Buy American Act Circular
- B. IHB Non- Disclosure Agreement



Attachment A- General Services Administration Buy American Act Circular

INFORMATION REGARDING BUY AMERICAN ACT

(a) The Buy American Act (41 U.S.C. 10a-10d) generally requires that only domestic construction material be used in the performance of this contract. (See the clause entitled “Buy American” in GSA Form 3506, Construction Contract Clauses.) This requirement does not apply to the excepted construction material or components listed in FAR 25.202(a)(3).

(b) (1) Furthermore, bids or proposals offering use of additional nondomestic construction material may be acceptable for award if the Government determines that use of comparable domestic construction material is impracticable or would unreasonably increase the cost or that domestic construction material (in sufficient and reasonable available commercial quantities and of a satisfactory quality) is unavailable. Reliable evidence shall be furnished justifying such use of additional nondomestic construction material.

(2) Where it is alleged that use of domestic construction material would unreasonably increase the cost:

(i) Data shall be included, based on a reasonable canvass of suppliers, demonstrating that the cost of each such domestic construction material would exceed the cost of comparable nondomestic construction material, inclusive of duty, by –

- More than 6 percent, if the domestic offer is from a large business that is not a labor surplus area concern; or
- More than 12 percent, if the domestic offer is from a small business concern or any labor surplus area concern.

(ii) The evaluation in paragraph (i) above shall be applied on an item-by-item basis or to any group of items on which award may be made as specifically provided by the solicitation.

(iii) If an award of more than \$250,000 would be made to a domestic concern if the 12-percent factor were applied, but not if the 6-percent factor were applied, the agency head shall decide whether award to the domestic concern would involve unreasonable cost.

(3) When offering additional nondomestic construction material, bids or proposals may also offer, at stated prices, any available comparable domestic construction material, so as to avoid the possibility that failure of a nondomestic construction material to be acceptable, under (1) above, will cause rejection of the entire bid.

GENERAL SERVICES ADMINISTRATION GSA FORM 1735 (REV. 4-84)

Attachment B- Non Disclosure Agreement



NON DISCLOSURE AGREEMENT

BETWEEN:

The Indiana Harbor Belt Railroad

2721 161st St

Hammond, IN46323

AND:

INSERT Company name and address here

(collectively, **“the Parties”**)

WHEREAS

- A. The Parties may wish to enter into discussion and evaluate potential opportunities in relation to the IHB Locomotive Fuel Conversion Project.
- B. The Indiana Harbor Belt Railroad will accept Pre- Qualification Proposals, Exhibits, and Demonstrations from Potential Vendors



- C. The Parties acknowledge that neither Party is under any obligation to disclose any Information.
- D. Any disclosure of Information that is made by a Discloser to a Recipient during the term of this Agreement, is subject to the terms of this Agreement.

THE PARTIES AGREE

1. Definitions and Interpretation

The following expressions shall have the meanings set out below:

“**Agreement**” means this Non- Disclosure Agreement

“**Discloser**” means a Party disclosing Information.

“**Information**” means, in respect of each Disclosers confidential information which:-

- (a) relates to any Patent or any improvement, modification, enhancement or development associated with any Patent; or
- (b) the Discloser or its employees, subcontractors, consultants, and consider confidential or proprietary,

and which is:-

- (c) first disclosed in written, electronic, photographic or other tangible form and clearly marked “Confidential” or “Proprietary”, or the like; or
- (d) first disclosed in non-tangible form and orally identified as confidential or proprietary at the time of disclosure and is summarized in tangible form and clearly marked “Confidential” or “Proprietary”, or the like, within 30 days of the original disclosure.

Information includes, without limitation, intellectual property rights whether capable of registration or not, know-how, concepts, designs, drawings, flow sheets, specifications, discoveries, trade secrets, formulae, processes, techniques, methods, machines, devices, contracts, customer and prospects lists, costs estimates, financial models, marketing plans, strategies, forecasts and other data created by or proprietary to that Discloser or its Participants.

“**Participant**” means, in relation to a party to this Non- Disclosure Agreement, any principal, owner, employee, subcontractor, consultant or any other person involved in the production of information or a product that is considered confidential or proprietary by either the IHB or the Potential Vendor

“**Participant**” means, in relation to a party to this Non- Disclosure Agreement, any principal, owner, employee, subcontractor, consultant or any other person involved in the production of information or a product that is considered confidential or proprietary by either the IHB or the Potential Vendor



“**Patent**” means the registered patent, application for patent, application for provisional patent and associated material whether or not registered.

“**Potential Vendor**” means a company intending to enter a proposal under the Pre- Qualification Announcement issued by the INDIANA HARBOR BELT RAILROAD in February 2014. Any signatory to this Non- Disclosure Agreement who is not an employee or representative of the IHB is considered a Potential Vendor in language

“**Purpose**” means the purpose in item 1 of Schedule 1.

In interpreting this Agreement:

- (i) a reference to the singular shall include the plural;
- (ii) a reference to a person shall include an individual, a company or other entity;
- (iii) Schedules shall form part of this Agreement.

“**Recipient**” means a Party receiving Information hereunder.

2. Confidentiality Agreement Recitals

- 2.1 Each Recipient shall maintain all the Information given to it by, or on behalf of the other party who is the Discloser, in strict confidence.
- 2.2 A Recipient shall use the Information, or permit it to be used, only for the term of this Agreement.
- 2.3 A Potential Vendor shall not copy, replicate or disclose information, nor permit it to be copied, replicated or disclosed, without the prior approval of the INDIANA HARBOR BELT RAILROAD
- 2.4 **A Potential Vendor may NOT disclose any information to the press, trade journals, electronic or print media, without the express written consent of the INDIANA HARBOR BELT RAILROAD**
- 2.5 Notwithstanding clause 2.3, a Recipient may disclose the Information to its Participants, employees, officers and agents to the extent that such people need access to the Confidential Information for the Purpose, and then only subject to clause 5.

3. Exceptions to Confidentiality Agreement

The obligations in clause 2 shall not apply to the extent that:

- 3.1 A Potential Vendor can prove such Information is in the public domain prior to the disclosure to that Recipient of the Information by the Discloser to that Recipient, or its Participants to that Recipient, free of any obligation of confidentiality;
- 3.2 The Information subsequently comes into the public domain other than as a result of a breach by a Potential Vendor or any employee, officer, or agent of that Potential Vendor;
- 3.3 A Recipient can prove such Information was possessed in tangible form by the Recipient prior to its receipt from the Discloser,



- 3.4 The Information is disclosed by the Discloser after the termination of this Agreement or receipt of notice from the Recipient that it does not wish to receive any further Information from the Discloser; or
- 3.5 A Recipient is required by law or a court or government authority to disclose Information, subject to the Recipient immediately notifying the Discloser of Information to that Recipient, and giving all reasonable assistance to the Discloser to apply for an exemption from or limitation in making the disclosure. Only if the Discloser elects not to seek to prevent such disclosure, or is unsuccessful in obtaining an order or ruling waiving or restricting disclosure, may that Recipient disclose the Information, and then only as required by such law or court or government authority.
- 3.6 The INDIANA HARBOR BELT RAILROAD will disclose appropriate information shared with it by Parties participating in the Pre- Qualification and Request for Proposals process to the appropriate regulatory agencies as requested. These agencies include, but are not limited to: The United State Department of Transportation (USDOT), The United States Environmental Protection Agency (USEPA), The Federal Railroad Administration (FRA), The Illinois Environmental Protection Agency (IEPA), The Indiana Department of Environmental Management (INDEM), The Illinois Department of Transportation (IDOT), The City of Hammond Indiana, and the Chicago Metropolitan Agency for Planning (CMAP).

4. Return of Documents

- 4.1 Upon the termination of this Agreement, or earlier as determined solely by the INDIANA HARBOR BELT RAILROAD, each Recipient shall either, at the Discloser's election, return to the Discloser, or provide evidence of the destruction of all documents, electronic data or other record of the Information.
- 4.2 Any notes, images or summaries made by that Recipient of the Information shall be either destroyed or upon written notice to the Discloser, retained in a secure and strictly confidential file.

5. Officers, Employees, Consultants

- 5.1 This Non- Disclosure Agreement is binding upon all Participants, employees, consultants, officers and agents of the Potential Vendor.

6. Breach

- 6.1 Each Recipient indemnifies each Discloser, its Participants and their respective directors, officers, employees and agents for any loss or damage whether direct, indirect or consequential, that Discloser, its Participants or their respective directors, officers, employees or agents may suffer as a result of any failure to maintain strict confidence, wrongful use, or wrongful disclosure of the Information by the Recipient, its Participants or their respective directors, officers, employees or agents.
- 6.2 In the event of a breach of this Agreement, the Discloser and its Participants may suffer significant loss and damage, which may be irreparable or may otherwise be difficult to quantify. Each Recipient agrees that in addition to all other remedies that may be available to each Discloser and its Participants, that Discloser may be entitled to equitable relief,



including an injunction or a preliminary injunction, in addition to all other remedies available to it

- 6.3 A Potential Vendor found in breach of this Non- Disclosure Agreement shall immediately and irrevocably forfeit the right to participate in any current or future work or bids set forth by the INDIANA HARBOR BELT RAILROAD

7. Term

All obligations and rights under this Agreement shall remain in force for four (4) years from the date of this Agreement. The Term may be reduced solely at the discretion of the INDIANA HARBOR BELT RAILROAD

8. Waiver

The waiver by the Discloser of any provision of this Agreement shall not be deemed to be a waiver of any subsequent breach of that provision.

A waiver of any right by the Discloser must be in writing and signed by or on behalf of the Discloser.

9. Enforceability

If a court determines that any provision of this Agreement is invalid or unenforceable, to the extent possible, the remaining provisions shall be given effect and shall remain in force.

If a court of competent jurisdiction, determines that the term of the Agreement set out in this Agreement, the term shall be deemed to be reduced progressively by amounts of one year, until the term is considered to be enforceable by that court.

10. Acknowledgement

The parties acknowledge that this Agreement is for the benefit of the Indiana Harbor Belt Railroad, to the fullest extent permitted by law.

11. No Other Obligations

Except as expressly provided herein, neither Party acquires any intellectual property rights hereunder, or (b) assumes any obligation of any kind, including any obligation to disclose any Information or to deal exclusively with the other Party in any field or to purchase, sell, license or otherwise transfer any technology, services or products. No agency, partnership or joint venture is created by this Agreement.

12. No Warranty

Any Information disclosed under this Agreement is provided “as is” and without any warranty, express or implied, including, without limitation, any warranty as to the utility, suitability, adequacy, accuracy, sufficiency or freedom from defect of any kind, including freedom from any patent infringement that may result from the use of such Information. The Discloser will have no liability to the Recipient with respect to any Information disclosed under this Agreement. This clause will not apply where any Information disclosed under this Agreement is misleading or misrepresented.



13. Assignment; Inurement

The Potential Vendor may not assign any of the rights or delegate any of its obligations under this Agreement, except with the prior written consent of the Indiana Harbor Belt Railroad. This Agreement will inure to the benefit of and be binding upon the Parties and their respective successors.

14. Proper Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana without reference to conflict of laws principles. The exclusive venue for any dispute relating to this Agreement shall be in the state or federal courts within Lake County, Indiana.

15. Counterparts.

This Agreement may be executed in two or more identical counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute the agreement when a duly authorized representative of each Party has signed the counterpart.

16. Entire Agreement.

This Agreement constitutes the entire agreement between the Potential Vendors and the INDIANA HARBOR BELT RAILROAD concerning the disclosure and distribution of information obtained and transferred to the Indiana Harbor Belt Railroad for the purpose of the Pre- Qualification Announcement. **There may be no alterations or changes of this Agreement by any Potential Vendor. Any changes to this Non Disclosure Agreement made by a Potential Vendor will be cause for immediate dismissal from the Pre Qualification and or Proposal Process.**



Declaration of Participants

List of Participants, Joint Venture Members, Contractors, Sub- Contractors , and all separate and distinct business entities joined to the Potential Vendor for the purposes of this Pre- Qualification Submittal, and if selected, Proposal to the IHB. The Potential Vendor is required to list all Participants involved in this submittal, as they are also bound by this Non Disclosure Agreement.

Name of Potential Vendor

Participant

Participant

Participant

Participant

Participant



EXECUTED as an Agreement on the date inserted below.

Signed and delivered as an agreement by

**INSERT NAME AND ADDRESS of
Potential Vendor**

By its duly authorized officer in accordance
with its charter documents

Signature

Printed Name of Signatory

Date: ____/____/____

Signed and delivered as an agreement by

INDIANA HARBOR BELT RAILROAD

2721 161st St

Hammond, IN 46323

By its duly authorized officer

Signature

Printed Name of Signatory

Date: ____/____/____