



April 4, 2018

Mr. David Genova  
General Manager and Chief Executive Officer  
Regional Transportation District  
1600 Blake Street  
Denver, Colorado 80202

Re: DTH - Eagle Project Contract No. 18FH012- Amendment 4 North Metro Rail Line Operations

Dear Mr. Genova:

Following the meeting between you and Messrs. David Rushton and David Parker on March 13<sup>th</sup>, DTP/DTO have revisited the previous work associated with Amendment 4 for NMRL O&M and have prepared a revised proposal which we attach herewith. You will find it provides an aggregate reduction in price of approximately \$26M over the term of the amendment. Our revised price proposal maximizes economies of scale, including administrative support and overhead.

Additionally, our revised proposal addresses a number of conditions pertaining to our September 21, 2017 submission which we understand were deemed by RTD to be problematic. More specifically, Amendment 4 will be revised to include the following:

- Following successful completion of the 21day System Performance Demonstration and upon commencement of the NMRL Operating Period the same Availability Ratio calculation that applies to the Eagle Project will be utilized to determine payment and performance deductions (we assume a reasonable accommodation will be made to address any performance related issues pertaining to RRP warranty items and/or latent defects);
- An appropriate termination regime for NRML based on DTP/DTO performance that falls below the Availability Ratio thresholds described in the Eagle CA;
- RRP will furnish to DTP/DTO the spare parts, special tools and equipment in accordance with their contract with RTD. DTP/DTO will be fully responsible for providing all other parts, tools and equipment as needed to operate and maintain the NMRL;
- DTP/DTO will maintain the NMRL in accordance with Good Industry Practice so that all components can be expected to satisfy their full design life specification and support reliable commuter rail service;
- Applicable Handover and Reinstatement Work Procedures will apply. The attached pricing has been revised to include all necessary and appropriate reinstatement work.

Our revised proposal assumes five months of preliminary testing, two months of System Performance Demonstration, and an operational readiness period of three months. We have assumed a date of March 1<sup>st</sup>, 2019 for NMRL Substantial Completion. Nevertheless, in the

event the completion of the NMRL is delayed further our revised pricing will not change provided RTD gives DTP reasonable notice of the delay.

As previously stated, we believe a Concessionaire-operated NMRL provides the best overall value for money and lowest risk to RTD and its constituents. Further, we believe a single operator approach will help to maximize operational performance and safety.

We appreciate your consideration of this revised proposal. Please do not hesitate to contact me with any questions or to arrange further discussions

Sincerely,



John Thompson  
Project Director  
Denver Transit Partners

Attachment 1: DTP NMRL Pricing Forms (2017 Dollars)

# Attachment 1

## NM DTP Cost Breakdown 2017 \$

Cost Categories	Pre-Revenue	
	Year (-1)	Year (0)
Mobilization	\$ 10,557,697	
Pre-Revenue Testing	\$ 422,149	
Performance Demon. Testing	\$ 2,542,654	
Spareparts	\$ 400,000	
Heavy Machinery	\$ -	
Training	\$ 578,688	
DTP Direct	\$ 34,270	
DTP Markup on Subcontractors and Direct	\$ 45,658	
<b>Total</b>	<b>\$ 14,581,115</b>	<b>\$ -</b>

Cost Categories	Revenue Operations									
	Year (1)	Year (2)	Year (3)	Year (4)	Year (5)	Year (6)	Year (7)	Year (8)	Year (9)	Year (10)
Renewals - Spare Parts & Consumables	\$ 96,342	\$ 237,342	\$ 361,046	\$ 311,009	\$ 851,867	\$ 1,175,047	\$ 296,092	\$ 477,441	\$ 3,104,880	\$ 5,008,928
Dispatching	\$ 669,080	\$ 673,953	\$ 679,215	\$ 684,899	\$ 691,038	\$ 697,667	\$ 704,827	\$ 712,560	\$ 720,911	\$ 729,931
FRA Reporting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Training	\$ 105,750	\$ 105,750	\$ 105,750	\$ 105,750	\$ 105,750	\$ 105,750	\$ 105,750	\$ 105,750	\$ 105,750	\$ 105,750
Vehicle Operations	\$ 5,113,903	\$ 5,140,119	\$ 5,168,433	\$ 5,199,012	\$ 5,232,037	\$ 5,267,705	\$ 5,306,225	\$ 5,347,828	\$ 5,392,758	\$ 5,441,283
Maintenance	\$ 8,112,866	\$ 8,139,440	\$ 8,168,140	\$ 8,199,136	\$ 8,232,611	\$ 8,268,764	\$ 8,307,810	\$ 8,349,980	\$ 8,395,523	\$ 8,444,709
DTP Direct	\$ 34,270	\$ 34,270	\$ 34,270	\$ 34,270	\$ 34,270	\$ 34,270	\$ 34,270	\$ 34,270	\$ 34,270	\$ 34,270
DTP Markup on Subcontractors and Direct	\$ 59,819	\$ 60,613	\$ 61,357	\$ 61,426	\$ 63,880	\$ 65,487	\$ 62,310	\$ 63,401	\$ 74,306	\$ 82,349
<b>Total</b>	<b>\$ 14,192,029</b>	<b>\$ 14,391,487</b>	<b>\$ 14,578,211</b>	<b>\$ 14,595,502</b>	<b>\$ 15,211,453</b>	<b>\$ 15,614,691</b>	<b>\$ 14,817,284</b>	<b>\$ 15,091,230</b>	<b>\$ 17,828,398</b>	<b>\$ 19,847,220</b>

Note-The all inclusive price to perform Vehicle Operations and Dispatch only would be an average price of \$6.1MM annually. The corresponding price for pre-revenue is \$7.9MM.

Average Annual \$ 15,616,751