



**Talgo, Inc.
505 5th Avenue South
Suite 630
Seattle, WA 98104**

MANUFACTURING FACILITY LEASE OPPORTUNITY

Request for Proposal – “RFP”

TO ALL PROPOSERS

You are invited to submit a Proposal to provide a manufacturing facility as described herein. All Proposals shall be submitted in sealed envelopes or packages showing the RFP number, the name and address of the proposer and addressed to:

Talgo, Inc.
Wisconsin Manufacturing Facility
505 5th Avenue South
Suite 630
Seattle, WA 98104
Attention: Ferran Canals

1. Questions from Vendors are due by October 20, 2009
2. Responses to Questions will be provided by November 23, 2009
3. Final Vendor Proposals must be received by Talgo no later than 1:00 p.m. (Pacific Time) on December 9, 2009.

Should you have any questions concerning the preparation of your Proposal, please do not hesitate to contact us.

Contact: Ferran Canals
Phone: (206) 748-6140 Extension 5
Fax: (206) 748-6147
Email: fcanals@talgo-inc.com

Please note that this Request for Proposal letter does not constitute a guarantee on the part of Talgo, Inc. that a contract will be awarded. No payment will be made for costs incurred in the preparation and submission of a Proposal in response to this Request for Proposal.

THIS IS NOT AN ORDER OR A CONTRACT

RFP #2009100501



Request for Proposal

For the

**FACILITY FOR MANUFACTURING AND FINAL ASSEMBLY
OF PASSENGER RAIL CARS**

October 5, 2009

RFP2009100501

Proprietary and Confidential



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1. INTRODUCTION AND BACKGROUND

Talgo, Inc. ("Talgo") is a manufacturer of and maintenance provider for high speed passenger equipment. Talgo has a corporate office and maintenance operation in Seattle, Washington. Talgo is a subsidiary of Patentes Talgo S.L., a Spanish company with corporate offices in Madrid, Spain.

2. PURPOSE OVERVIEW

Talgo is in the development stages of considering a manufacturing / final assembly location within the State of Wisconsin. In order to perform a cost analysis and to select the most appropriate facility, Talgo is issuing this Request for Proposal ("RFP") to interested Proposers/Vendors (Brokers, Realtors, Lessors, Agents, etc.).

Talgo will perform the final manufacturing and assembly of 2 trainsets (31) passenger cars during an anticipated 2-year period. There is a possibility of additional manufacturing and assembly that would require an extension to the lease and all related details described herein.

3. CONTACT DATA

Any questions concerning this document, including contractual terms or clarification of requirements must be directed by email or mail to:

Name	Ferran Canals
Address	Talgo, Inc. 505 5 th Avenue South Suite 630 Seattle, WA 98104
Office:	(206) 748-6140 ext. 5
Mobile	(202) 206-940-3867
Email	fcanals@talgo-inc.com

4. SCHEDULE

Event	Date
1. RFP Distribution to Vendors	October 5, 2009
2. Deadline for Vendors to submit questions about scope	October 20, 2009
3. Responses to Vendors about scope	November 23, 2009
4. Proposals due date	December 11, 2009
5. Building inspection (Optional)	Prior to Vendor selection
6. Final Vendor selection discussion(s) (Optional)– Week of	January 18, 2010
7. Anticipated decision and selection of Vendor(s)	January 25, 2010
8. Anticipated commencement date – facility possession	May 1, 2010

5. CONTRACT AWARD

Award of the contract resulting from this RFP will be based upon the most responsive Vendor whose offer will be the most advantageous to Talgo in terms of cost, suitability for Talgo's final assembly process, readiness, availability of the location, local support, flexibility with regard to possible increased production required by Talgo, and other material factors as may be identified by Talgo whether or not identified in this RFP.

Talgo reserves the right to:

- o Reject any or all offers and discontinue this RFP process without obligation or liability to any potential Vendor,
- o Accept any proposal other than the lowest priced offer,
- o Award a contract on the basis of initial offers received, without discussions or requests for best and final offers.



6. LEASE INFORMATION

Lease Term

The term of the lease shall begin on the Commencement Date as defined in Section 4.

Lease Period

The lease will be for a period of 19 months; however Talgo may terminate the lease after 14 months with two months prior notice without any further rental obligation to the landlord. Identify on the Pricing Form Attachment 3.

Lease Extension

Talgo shall have the right to extend the Lease based upon Talgo's work need. Additional orders for Talgo's manufacturing / final assembly may accordingly increase Talgo's lease duration indefinitely. Lessee shall have the option of extending the lease on a month to month basis using the existing lease rate adjusted by the Regional Wisconsin CPI (Consumer Price Index) annualized for the most recently issued twelve months.

Any such extension period(s) will be set forth in the Lease with terms and pricing as set forth in the Lease.

Vacating the Lease and Premises

Talgo will require 90 days to vacate the premises upon the termination of the Lease.

7. BUILDING

Building construction and all items contained within the submitted Proposal shall be in accordance with all applicable city, state and federal codes and requirements.

The building will be free of any hazardous materials and shall be properly zoned for railroad shop use. No provision is made for any environment approval process.

The building is assumed to be constructed utilizing normal building permit processes.

No provisions are made for pile foundations or interference with any underground utilities or structures.

Gas, water, storm water management, sanitary/sewer services, adequate fire protection and potable water will be made available by the Proposer.

The Proposer and Lessor will be responsible for providing sufficient engineering to allow obtaining of local building permits and to allow construction of the improvements associated with facilities located within the leased property except for utility connections which shall be connection points.

The area dedicated to office, locker and rest area will have the following:

- o Air conditioning and heating
- o Domestic hot and cold potable water
- o Fire protection system installed, according to standards in effect

Inspection

Talgo reserves the right to perform a thorough building inspection prior to final acceptance of the Proposal. Talgo may utilize agents (such as Compliance Inspectors from city, state or federal entities) to identify compliance concerns. Items found that are not within the spirit of the Proposal or compliance with city, state, and federal requirements will be identified. Identified items will need to be corrected or disposition agreed upon with the Proposer and Talgo.

Repairs

All necessary modifications/repairs to the building shall be made prior to Commencement.

ADA

Personnel access doors to the facility and one bathroom within the facility must be ADA compliant.

Alterations and Improvements

Talgo, at Talgo's expense, shall have the right following Lessor's reasonable consent to remodel, redecorate, and make additions, improvements and replacements of and to all or any part of the Leased Premises from time to time as Talgo may deem desirable, provided the same are made in a workmanlike manner and utilizing good quality materials.

Talgo shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Leased Premises, and affix the same to the premises. . All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by Talgo at the commencement of the Lease term or placed or installed on the Leased Premises by Talgo thereafter, shall remain Talgo's property free and clear of any claim by Lessor. Talgo shall have the right to remove the same at any time during the term of this Lease. Prior to the execution of the lease contract, Talgo will inform the Lessor of any significant modification to be implemented by Talgo; however the end of the lease, Talgo will not have the obligation to return the building to its original condition.

Expansion

Talgo may require expansion if the work opportunity increases. If the building has additional, unused space, Talgo have the right to expand as available and agreed upon with Lessor at the time of the need of expansion with the same rate and terms as the primary spaced under lease.

8. UTILITIES

The preference is that the leased facility for Talgo be separately metered. Talgo shall only pay charges for water, sewer, gas, electricity, and telephone during the term of this Lease unless otherwise expressly agreed in writing. In the event that any utility or service provided to the facility is not separately metered, Lessor shall pay the amount due and separately invoice Talgo for Talgo's pro rata share of the charges. Lessor shall provide a summary bill of utilities, calculation method and final monthly utility cost for Talgo. Original copies of utility invoices shall be provided to Talgo with the summary invoice.

9. SIGNS

Talgo shall have the right to place on the Leased Premises, at locations selected by Talgo, any signs which are permitted by applicable zoning ordinances and private restrictions. Proposer shall assist and cooperate with Talgo in obtaining any necessary permission from governmental authorities or adjoining owners and occupants for Tenant to place or construct the foregoing signs. Talgo shall repair all damage to the Leased Premises resulting from the removal of signs installed by Talgo.

10. SUBMITTAL REQUIREMENTS

Proposers will submit their proposal via email with (2) hard copies mailed to the address in Section 4.0 to the Project Manager for the manufacturing facility meeting the requirements of Attachment 1.

Please include a signatory line and signature, with your submittal to Talgo's Technical and Pricing Forms. Please submit the email copy according to Section 3 – Schedule.

The proposal shall be submitted as set forth below and will confine its submission to those matters sufficient to define its proposal and to provide an adequate basis for Talgo's evaluation of the Vendor's proposal.

The response to this RFP may be incorporated at Talgo's election into the final agreement between Talgo and the selected Lessor. Talgo provided forms must be used. No altering to Talgo documents are allowed without the prior express consent of Talgo. All documentation shall be clearly legible, typed or made in ink. Each form must be signed and dated by an appropriate representative.

Proposal will be considered binding for 3-month period.

11. DELIVERABLES

The submitted proposals will include each of the following sections:

1. Executive Summary
 - a. High level synopsis of Vendor's responses to this RFP, including a brief overview of the main features and benefits of Vendor's facility.
2. Technical Information Form – Reference Attachment 2
3. Pricing Form – Reference Attachment 3
4. Development Incentive Form – Attachment 5
5. Certification Form – Attachment 6
6. Facility Layout Plan
7. Pictures of the Facility – Exterior and Interior
8. General Terms and Conditions
9. Sample of Contract / Standard Lease with Terms and Conditions, highlighting conditions that differ from the requirements of this RFP¹.
10. Lease Entity
11. Proof and Type of Insurance
12. Equipment Maintenance Schedule for any equipment that is provided as part of the building lease (bridge cranes, fork lifts, trucks, etc.)

12. EVALUATION FOR REWARD

Any award to be made resulting from this RFP will be determined solely by Talgo after considering the overall costs and benefits, both monetary and intangible, including those items that are not provided by the Vendor that Talgo would need to additionally lease / procure.

Talgo may, at its discretion and without explanation to the prospective vendors, at any time to choose to discontinue this RFP without obligation to such prospective vendors.

¹ Per paragraph 13 of this RFP, Proposals may be considered non-responsive if the requirements and conditions of this RFP are not met.

13. ALTERATIONS, MISREPRESENTATIONS

Except as otherwise provided herein, proposals which are incomplete, contain alterations or items not called for in this RFP, or which are not in conformity with the law, will be rejected as non-responsive. Additionally, a Proposer shall not misrepresent its ability to provide a facility as indicated herein or its proposal prices. Misrepresentation may be cause for rejection of the proposal.

14. WITHDRAWALS OR REVISION OF PROPOSALS

After submitting a proposal to Talgo, the Proposer may withdraw or revise it if:

- a. The Proposer submits a written request signed by an authorized person; and
- b. Talgo receives the request before the Proposal Due Date

The original proposal may be revised and resubmitted as the official proposal if Talgo receives it before the Proposal Due Date.

Proposer understands and agrees that Talgo is entitled to rely upon the Proposal and to take action upon such Proposal, including rejecting competing Proposals, and that such action is reasonable and anticipated. If Proposer thereafter revises or rescinds its proposal, or otherwise does not act to consummate a lease based upon its Proposal, Talgo shall have the right to recovery of all of its expenses and damages arising from Proposer's failure to consummate the lease, including recovery of all attorney fees and costs arising from such failure.

15. PREPARATION COSTS

Talgo shall not be liable to any proposer for its proposal preparation costs or any other direct or indirect costs arising from a response to this RFP.

16. ATTACHMENTS

Attachment for this Request for Proposal includes the following:

Attachment 1 – Car Layout

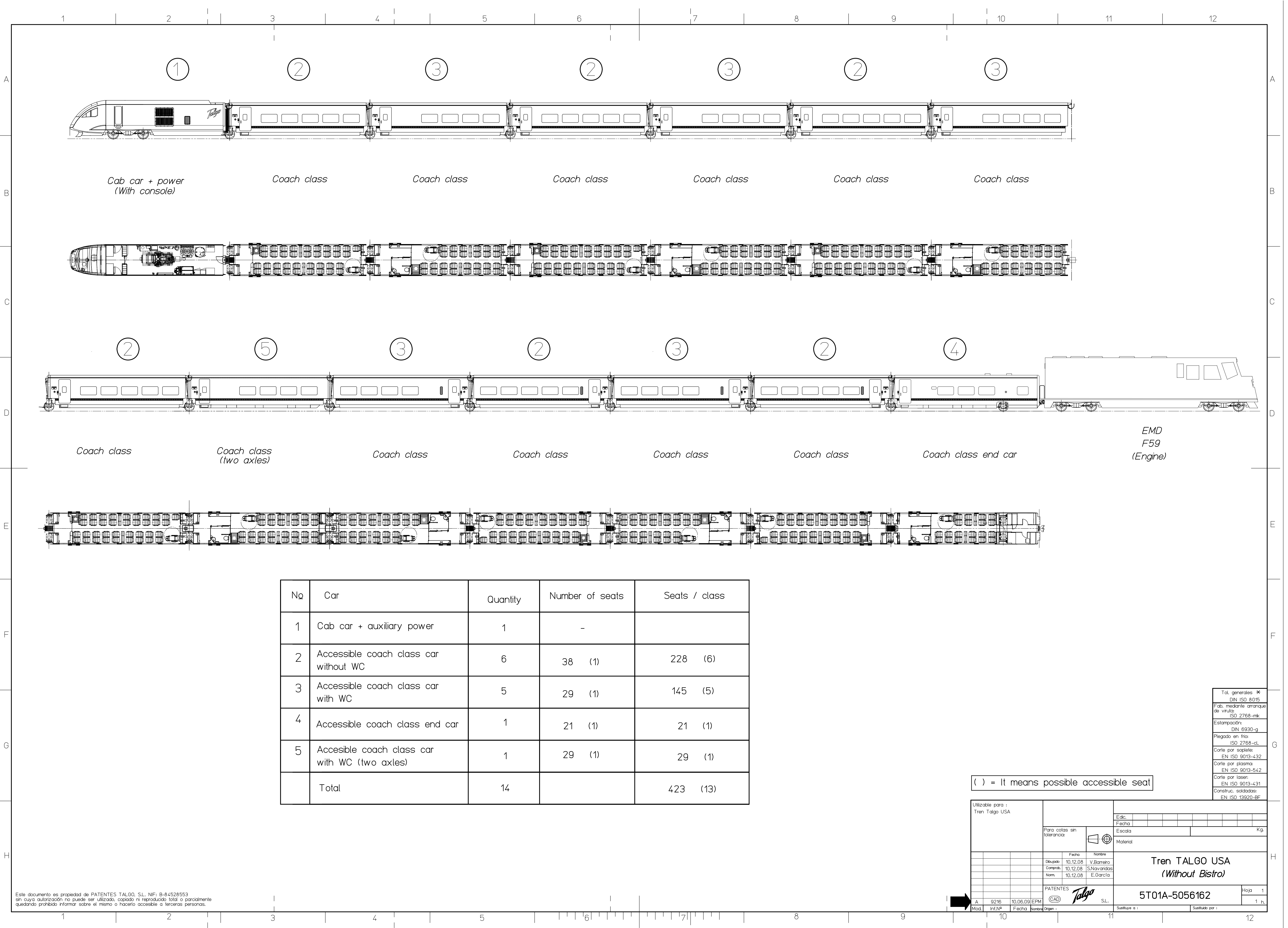
Attachment 2 – Technical Information Form

Attachment 3 – Pricing Form

Attachment 4 – Facility Requirements

Attachment 5 – Development Incentive Programs

Attachment 6 – Certification Form



Nº	Car	Quantity	Number of seats	Seats / class
1	Cab car + auxiliary power	1	-	
2	Accessible coach class car without WC	6	38 (1)	228 (6)
3	Accessible coach class car with WC	5	29 (1)	145 (5)
4	Accessible coach class end car	1	21 (1)	21 (1)
5	Accesible coach class car with WC (two axles)	1	29 (1)	29 (1)
	Total	14		423 (13)

() = It means possible accessible seat

Tal. generales ✕
DIN ISO 8015
Fab. mediante arranque de viruta
ISO 2768-mk
Estampación
DIN 6930-g
Plegado en frío
ISO 2768-dL
Corte por soplete
EN ISO 9013-432
Corte por plasma
EN ISO 9013-542
Corte por laser
EN ISO 9013-431
Construc. soldados
EN ISO 13920-BF

Utilizable para : Tren Talgo USA		Para cotas sin tolerancia:		Edic. _____ Fecha _____ Escala _____ Kg. Material _____	
Dibujado 10.12.08 Comento 10.12.08 Norm. 10.12.08		Fecha 10.06.09 Nombre V.Barrera S.Novaredas E.Garcia		Tren TALGO USA (Without Bistro)	
PATENTES CAD Talgo S.L.		Hoja 1			
A 9216 Mod. Inf.Nº		Fecha 10.06.09 Nombre EPM		Sustituye a : Sustituido por :	



Attachment 2

Technical Information Form

For the

**FACILITY FOR MANUFACTURING AND FINAL
ASSEMBLY OF PASSENGER RAIL CARS**

RFP#2009100501

Fill in all of the information required below:

General Information

Description	Detail Information
Company Overview	
Official registered name (Corporate, D.B.A., Partnership, etc.)	
Site Owned By	
Contact Information Name: Mailing Address Telephone Cell Phone Email	

Realtor Contact Information (if different than above Contact Information) Name Address (if different from above address) Direct telephone numbers Cell Phone Email	
Corporate References	1.
	2.
	3.

Building Detail and Features

Description	Detail Information
Physical Address	
Available Square Footage (minimum and maximum) <i>Define space method of calculation</i>	
Ceiling Height, factory	
Construction Type	
Year Constructed	
Year Modernized	
Office Area (if available) # of offices	
Break room size (if available)	
Training room size (if available)	
Parking, spaces available and type of area (i.e. paved, dirt and gravel)	
Bathroom, quantity	

Building System Infrastructure and Support

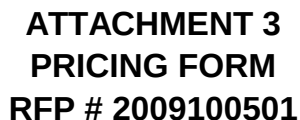
Building System	Sub-System	Elements / Materials	Check if Applicable	Notes
Mechanical	Heating Ventilation and Air Conditioning	Central Boiler – Hydronic Heating / Cooling Tower		
		Gas Heat / DX Cool		
		Electrical Heat / DX Cool		
		Electric Heat / Electric Cool		
		Furnace Heat / Condensing Unit Cool		
		Other		
	Heating and Ventilation	Central Boiler Hydronic Heating		
		Central Boiler Hydronic Heating with Radiant Under Floor Piping		
		Furnace (Gas Fired)		
		Unit Heaters		
		Other		
Fire and Life Safety	Automatic Fire Sprinkler System	Wet Type		
		Dry Type		
		Other		
	Fire Pumps	Diesel Generator		
		Other		
	Fire Alarm System	Manual		
		Automatic		
		None		
Electrical	Lighting Types (check all that apply)	Fluorescent		
		Flood		
		Emergency Lighting		
		Other		
	Power	Switchboards		
		Panels and Breakers		
		Bus Duct		
		<i>Power other than 120V; define</i>		
		Other		
	Building Transformer	Dry Type		
		Other		

Building System	Sub-System	Elements / Materials	Check if Applicable	Notes
	Low Voltage Systems	Telephone		
		Data, network cabling (define available locations)		
		CCTV		
		Public Address System		
		Security Alarm		
		Other		
	Emergency	<i>Emergency Generators, how many / type</i>		
Pneumatic	Compressed Air	Compressed Air available; if so, define access points and psi		

Authorized Representative – Print Name

Authorized Representative – Signature

Date



Company name	
Address	
Contact person	
Telephone	
e-mail address	

Name	
Address	
Contact person	
Telephone	
e-mail address	

	Sq feet	x	Sq ft rate	=	Total (\$)
Manufacturing area					\$
Warehouse area					\$
Track					\$
Office and welfare area					
Parking area					\$
Triple Net Charges					\$
TOTAL					\$

Option 2: Turn key premises

	Sq feet	x	Sq ft rate	=	Total (\$)
Manufacturing area					\$
Warehouse area					\$
Track					\$
Office and welfare area					\$
Parking area					\$
Modifications/Improvements listed in chart A					\$
Triple Net Charges					\$
TOTAL					\$

Insurance limit requirement	\$
Available sq ft for expansion	

Chart A: Itemized description of modifications/improvements included in this Option 2 (use additional pages if necessary)

[illegible]



Attachment 4

FACILITY REQUIREMENTS

For the

**FACILITY FOR MANUFACTURING AND FINAL
ASSEMBLY OF PASSENGER RAIL CARS**

RFP# 2009100501

Proprietary and Confidential



1. FACILITY REQUIREMENTS

Dimensions:

- o Minimum 80,000.00 sq/ft
- o With an option to extend up to a maximum of 150,000.00 sq/ft
- o Minimum distance between columns 50 ft

Height

- o Approximately 35 ft

Doors / Truck access

- o Separate personnel access and vehicle access
- o Depressed loading dock (or elevated loading dock if the facilities are over the ground/road level) preferred
- o Truck access to the shop doors (4 width x 5 height meters minimum dimension) at shop level (ramp access if required)

Infrastructure

- o Installation of non-potable water (cold and hot) with faucets and hoses distributed throughout the building
- o Fire Protection System
- o Electrical power supply to all auxiliary facilities (400 KVA minimum; two dedicated points of 120 KVA for train supply)
- o Interior lighting to allow manufacturing personnel to work properly
- o Emergency Lighting for emergency egress as required by code
- o Facilities with key infrastructures support, such as installed compressed air, higher electrical power (in excess of 120V) and so on should be identified on the Facility Needs Assessment form.

Rail Tracks

- o Access to a main rail line is required
- o 600 ft of fenced track within the property
- o Direct and smooth paved access from the interior facility to the track
- o Track section of at least 20 meters not adjacent to the building. The purpose of this requirement is to allow to move the bodyshell of a car from the final assembly facility to the track with a special wheeled tool. This task will allow an operation that consist on sitting the rail car on top of the tracks with the help of jacks.

Parking

- o 40 Parking spaces minimum (including ADA and customer spaces)

Office, locker and rest area

- o 3000 sq/ft to 5000 sq/ft
- o Access to High speed broadband

Temperature and ventilation criteria (shop):

- o HVAC installation should ensure that the building temperature will be maintained at 65F during winter operation and at least 10F below exterior temperature during summer operation
- o Ventilation system shall maintain NO² levels below the OSHA prescribed maximum of 55ppm at all times while maintaining the building pressure slightly negative to prevent contaminants migrating to adjacent welfare spaces



ATTACHMENT 5
DEVELOPMENT INCENTIVE PROGRAMS
RFP # 2009100501

1. Describe any development incentive programs, if available, such as economic, training, financial, assistance programs, etc. that may be provided within the development area included as part of your response to RFP.

Include a separate, typed response and reference: Attachment 5 Development Incentive Programs



Attachment 6

Certification Form

For the

FACILITY FOR MANUFACTURING AND FINAL ASSEMBLY OF PASSENGER RAIL CARS

RFP#2009100501

Certification

1. I hereby certify that I am authorized to act on behalf of the firm, individual, partnership, corporation or association making this proposal and that all statements made in the documents are true and correct to the best of my knowledge. I agree to hold this offer open for a period of ninety (90) days from the deadline for receipt of proposals unless the property is leased to another party.

2. I understand and agree to be bound by the conditions contained in the Request for Proposal and shall conform to all requirements of the Request for Proposal.

Name: _____
Proposer Signature Print Name

Title: _____