

**McCreary County Fiscal Court
Design/Build Steam Locomotive Reconstruction Project**

Presented by:

**Wasatch Railroad Contractors
909 East Fox Farm Road Unit 7
Cheyenne, WY 82007**

**P.O. Box 20425
Cheyenne, WY 82003**

**DUNS Number: 186783689
CCR Registration: COMPLETE
FEIN: 20-2515732**

(307) 778-7458

Primary Contact:

**John E. Rimmasch
Chairman of the Board
Chief Executive Officer
jrimmasch@wrtc.us**

Submitted January 29, 2011

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Becky Egnew, Steam Locomotive Project
Big South Fork Scenic Railway
P.O. Box 368
100 Henderson Street
Stems, KY 42647



Re: Transmittal Letter

February 10, 2012

This letter is to confirm Wasatch Railroad Contractors' (hereafter WRC) ability to comply with all aspects of the McCreary County Fiscal Court's Request for Proposals pertaining to Big South Fork Scenic Railway Steam Locomotive Restoration Project. Items will be identified as found on page 14 of the December 14, 2011 issue of said RFP.

Item:

- A. WRC is the sole presenter of this proposal. WRC is a Corporation in Good Standing as certified by the State of Wyoming. (Please note certificate on following page.)
- B. WRC has read and understands all qualification requirements as well as all licensing and permit requirements of the RFP. WRC hereby states that it meets or surpasses all requirements set forth in the RFP and that WRC can and shall fully comply if/when notice to proceed is given.
- C. As of this writing on February 10, 2012, the addenda as listed below have been received by WRC:
 - Addenda No. 1 - December 21, 2011
 - Addenda No. 2 - January 6, 2012
 - Addenda No. 3 - January 12, 2012
- D. WRC has not had any involvement with the solicitation process for this project. Additionally, WRC has not conversed with any party or entity to gain an advantage in winning or securing this project.
- E. There is no information contained herein which is viewed by WRC, its directing Board or Principles thereof to be proprietary in nature, however, WRC requests that this document be held confidential, even after award, regardless of winning firm. WRC does not grant permission, written, implied or expressed, allowing Big South Fork Railway, McCreary County, or the State of Kentucky the right to distribute the enclosed proposal to competitors or winning firms for any reason. All inclusions, enclosures and proposals are delivered to and expressly intended for use by the directors of the steam locomotive restoration project as required by the RFP.
- F. WRC meets or exceeds the specifications and or requirements set forth in the RFP. Additionally, WRC take no exception to any aspect thereof nor does WRC list any formal exception or variance request to any aspect of the RFP.
- G. John E. Rimmasch, Stephen A. Lee or Michael E. Lewis are the official spokespersons for WRC respective to this project. At any given time, with sufficient notice, any or all will be available for public comment.

These statements are true and accurate as of the date of submission, January 29, 2012, so attests John E. Rimmasch, Chairman of the Board, Chief Executive Officer, Wasatch Railroad Contractors.

Signed,

John E. Rimmasch
Chief Executive Officer
Chairman of the Board
Wasatch Railroad Contractors

jrimmasch@wrrc.us
(307) 778-7458

STATE OF WYOMING
Office of the Secretary of State

I, MAX MAXFIELD, SECRETARY OF STATE of the STATE OF WYOMING, do hereby
certify that according to the records of this office,

Wasatch Railroad Contractors
is a
Profit Corporation

formed or qualified under the laws of Wyoming did on **January 24, 2005**, comply with all applicable
requirements of this office. Its period of duration is Perpetual. This entity has been assigned entity
identification number **2005-000486553**.

This entity is in existence and in good standing in this office and has filed all annual reports
and paid all annual license taxes to date, or is not yet required to file such annual reports; and has
not filed Articles of Dissolution.

I have affixed hereto the Great Seal of the State of Wyoming and duly generated, executed,
authenticated, issued, delivered and communicated this official certificate at Cheyenne, Wyoming
on this 8th day of February, 2012 at 12:52 PM. This certificate is assigned 011565112.




Secretary of State

Notice: A certificate issued electronically from the Wyoming Secretary of State's web site is immediately valid and
effective. The validity of a certificate may be established by viewing the Certificate Confirmation screen of the
Secretary of State's website <http://wyobiz.wy.gov> and following the instructions displayed under Validate Certificate.

Bid Item Sheet

Line Item	Materials	Man Hours	Labor	Line Item Total
Project Inventory	\$0.00	214	\$13,910.00	\$13,910.00
Form 4 review	\$0.00	214	\$13,910.00	\$13,910.00
Fire Box Completion	\$80,747.55	1646.73	\$107,037.45	\$187,785.00
Boiler Studs	\$1,530.10	190.46	\$12,379.90	\$13,910.00
Boiler Fixtures/Running Boards/Jacket	\$5,216.25	240.75	\$15,648.75	\$20,865.00
Valve Motion Assembly	\$1,112.80	410.88	\$26,707.20	\$27,820.00
Drive axle cleaning and Inspection	\$869.38	40.13	\$2,608.13	\$3,477.50
Air System and Air Piping	\$3,477.50	160.5	\$10,432.50	\$13,910.00
Cab Platform and Cab Interior	\$3,477.50	160.5	\$10,432.50	\$13,910.00
Locomotive Bed to Tender Coupling	\$869.38	40.13	\$2,608.13	\$3,477.50
Appliances	\$0.00	0	\$0.00	\$0.00
Piping Raw	\$3,477.50	160.5	\$10,432.50	\$13,910.00
Piping Finished	\$5,007.60	778.96	\$50,632.40	\$55,640.00
Hot Riveting	\$3,042.81	702.19	\$45,642.19	\$48,685.00
Weld Inspections/FRA Inspections	\$3,477.50	160.5	\$10,432.50	\$13,910.00
Install Tubes, Hydro Test	\$2,521.19	496.21	\$32,253.81	\$34,775.00
Complete smoke Box/Door	\$2,016.95	396.97	\$25,803.05	\$27,820.00
Mount Boiler to Frame	\$6,955.00	321	\$20,865.00	\$27,820.00
Total Assembly	\$10,015.20	1129.92	\$73,444.80	\$83,460.00
Paint and Finishing	\$13,910.00	642	\$41,730.00	\$55,640.00
Warranties	\$0.00	0	\$0.00	\$0.00
Bonding	\$0.00	0	\$0.00	\$0.00
Test Operations/Training	\$0.00	321	\$20,865.00	\$20,865.00
Total Assembly Cost	\$147,724.20	8427.32	\$547,775.80	\$695,500.00

Housing and Per-diem Explanation

The materials section of each line item includes all burdens to each section. As such, if the section includes a materials portion, that portion also includes housing and per-diem as well as travel to and from the location as may be required.

Fare Wages Standards

Having reviewed the document presented at the walk-through with an outline of the fair base wage rules for the state of Kentucky and having reviewed the classifications, four basic notes are made:

1. None of the categories shown are actual steam locomotive restoration work. As such, there must be some latitude in the assignment or like assignment of job positions and basic work required.
2. WRC as outlined in the document provided and in consideration of the first point of this section listed above, does comply fully with the fair wage standards established for the project, even when considering the fact that job descriptions are not identical.
3. As WRC understands fair labor rules, if there is a wage dispute, this dispute will be settled solely between WRC (contractor) and the Plaintiff who desires to make claim against said contractor. WRC accepts responsibility for wage claims made on this project.
4. WRC is NOT required to use unionized labor on this project. Contractor reserves the right to employ team members on the basis of fair, acceptable, and legal hiring practices. Wasatch Railroad Contractors is an equal opportunity employer.

Time Card System

Unlike other contractors, WRC maintains and requires the use of a time tracking system. This system requires that all employees enter their daily time, and daily project tasks in the system. The system is available anywhere employees have access the the Internet. The time tracking system then generates invoices based on the percentages shown in the cost break down. This ensures that all billing is properly accounted for.

Additionally, at any time, the State and or Big South Fork Railroad can request a copy of the time sheets and percentage break downs for each billable period. In the case of this project, each billing period is 14 calendar days each, beginning at midnight on Sunday.

The screenshot shows the 'WRCSheets' interface for 'WRC - Unspecified Project'. The calendar view shows time entries for the week of February 05, 2012, to February 16, 2012. The total time for the week is 22:25.

Day	Time Period	Task	Hours
Sunday	5	WRC - Unspecified Project	1:00
Monday	6	WRC - Unspecified Project	1:00
Tuesday	7	WRC - Unspecified Project	1:00
Wednesday	8	WRC - Unspecified Project	1:00
Thursday	9	WRC - General Marketing Efforts	1:00
Friday	10	WRC - General Marketing Efforts	1:00
Saturday	11	WRC - General Marketing Efforts	1:00
Sunday	12	WRC - General Marketing Efforts	1:00
Monday	13	WRC - General Marketing Efforts	1:00
Tuesday	14	WRC - General Marketing Efforts	1:00
Wednesday	15	WRC - General Marketing Efforts	1:00
Thursday	16	WRC - General Marketing Efforts	1:00
Friday	17	WRC - General Marketing Efforts	1:00
Saturday	18	WRC - General Marketing Efforts	1:00
Total			22:25

WRC has an impeccable record when it comes to project tracking and time sheet management. If this project would like to have specific references on our ability to maintain the budget and keep track of hours spent and used, WRC is happy to provide such references.

\$750,000.00 Project Allocation v. \$695,500.00 WRC, NTE Budget

There is a clear difference between the budget and the amount presented by WRC. There are a few items to consider in this matter:

WRC believes that per dollar, as we have an entire staff with NO sub contractors, that each dollar spent renders a higher value in time spent on the project. Based on a \$55/\$65/\$75 dollar sliding rate schedule the mean average rate billed is \$65.00 per hour. WRC believes that the project judges need to consider not only best cost, but best value in terms of hours spent for work rendered for each line item.

It is clearly noted that some items have been represented as 100% complete. However, there is no assurance that past work by past contractors is indeed 100% complete or 100% compliant. As such, though WRC has offered a lower NTE budget for the project, WRC feels strongly that the difference between our budget and the value of the grant should be retained and suspended in the real possibility that "100% complete" projects are not 100% and indeed are in need of additional completion. There is no way to know until the project is complete what items that are represented as 100% are in fact 100% complete or not. WRC feels that all and any contractors should have allowed the option for incomplete previous work. Our budget of \$695,500 represents what we feel will get the project completed as it was represented to us in the walkthrough.

Rehabilitation Methodology

The following is a brief description of how each cost was designed and the associated tasks with each item. Please note that all cost equations were based on a \$65.00 hourly rate which is the average billable rate for this project. This project was assigned the WRC 55/65/75 schedule of billable services. The end cost and hours related to each section represent an average cost regardless of the final rate charged to project. If a line item falls under budget, the percentage under in both dollars and labor hours is allowed to be moved to other line items. This budget is being presented as a Not To Exceed budget with one included provision noted at the end.

Project Inventory \$13,910.00

This section includes up to two men to evaluate and organize the items in the shop that belong to this project. The written and organized inventory will be copied and delivered to the Railroad and the Contractor and will be maintained as the basis and condition of items when found at the beginning of the project.

***Form 4 review \$13,910.00**

This line item was represented at the walk through as being partially complete. In other words, John Rimmasch asked if there was a preliminary form 4, to which the answer was; "There is a preliminary form 4". As such, WRC will gather the information that has been completed and will organize it into a final form 4 upon project completion. The form 4 will be submitted by WRC as required by the FRA.

Fire Box Completion \$187,785.00

This section is by far the largest single incomplete item of the project. It was noted during the walk through that the interior new sheets are "misaligned". WRC respectfully disagrees with this evaluation.

The sheets as they stand now have been prepared for fit-up and final installation. The preparation work that has been completed does not constitute a final fit, nor should it represent a final fit. The current fit up represents a basic placement of the sheets for final installation.

The final fit-up and sheet preparation should be completed by the actual welders installing the sheets.

WRC sees no need to remove or replace the sheets that have been completed. It appears further that the front tube sheet patch is on location, as well as all of the corner and side sheets required to finish the fire box. The only reason why any of the sheets would have to be replaced would be due to the fact that the sheets may or may not comply with material specifications outlined by the FRA/NBIC. WRC believes this not to be the case.

This section includes all welding of the fire box sheets and the finish welding of the front tube sheet section. It does not include the riveting section which is covered elsewhere in this document.

WRC does not plan on welding in stay bolts. The stay bolts will be threaded and fillet-welded. This is the fastest and least damaging form of installation to the sheets. Welded bolts are time consuming and do not produce the best end outcome. This budget includes funds for threaded bolts throughout the boiler fire box area. The budget does not include heading over of finished bolts. All stay bolts will include tell tale holes as required by FRA.

Boiler Studs \$13,910.00

It appears that there was an effort or at-least an idea to replace all studs in the boiler. WRC takes a different approach on the studs. Studs that require replacement due to engineering study will be replaced and renewed, studs that are slightly damaged but can meet the engineering standards enforced there-on will remain. WRC approaches studs on a need, not want basis. This project as been allocated a budget based on what was seen and inspected at the walk through.

Boiler Fixtures/Running Boards/Jacket. \$20,865.00

It was noted at the walk through that nearly all or most of the running boards have been renewed and stored on location. This line item budget includes installing the running boards and the mounts as may be required. This budget does NOT include any manufacture or alteration of running boards or fixtures. It is assumed from inspection, though there is no formal answer that these items are ready to be re-installed as designed and manufactured.

The jacket material and most of the jacket installation is included in this section. However, there are aspects of the final jacket and installation that are included in the paint and final assembly portion of the project.

This section does include the installation of the boiler fixtures that hold such things as the cab, air compressor and other items. Modification to any fixture are not included in this budget line item.

***Valve Motion Assembly \$27,820.00**

It was represented at the walk through that the valve gear and rod motion is 100% and ready for installation. This budget includes the basic cleaning and inspection of rod motion pieces and the installation there-of.

Missing or incomplete items are not included in this budget.

Drive Axle Cleaning and Inspection. \$3,477.50

It was noted at the walk-through that the drive axles need to be cleaned and inspected as they were assembled dry with no lubrication. This budget includes inspecting and cleaning each journal and then cleaning the axles and the drive boxes. This budget does NOT include full disassembly of the system. It may or may not include a lifting of the frame to gain access to the journal brass.

It was noted that the Railroad has grease cakes on location, yet not installed. This line item does not include new grease cakes, nor does it include extra grease and or supplies. Existing materials will be installed in the grease sellers as required and designed. This line item does not include the possibility of conversion to oil cellars for this project.

***Air System and Air Piping \$13,910.00**

It was represented at the walk through that all air brake components have been cleaned, inspected and certified and that the air system needs to be assembled only. WRC did not physically see all items for the air system and can not as of this posting attest to the fact that this is true or not. As such, WRC believes the comment to be true and includes in this budget the full assembly of the air system and parts that are on location. The air system includes some new piping as may be required and the use of past piping where applicable. This budget includes labor and materials

Cab Platform and Cab Interior \$13,910.00

WRC has seen the new cab and cab platform. The cab interior is left incomplete at this time. The cab interior needs to be finished with some type of tongue and groove wood, as well as a lighting system. It was represented at the walk through that the lights and light switches remain, some wiring and conduit will be required.

There was no mention of a cab radio, electrical conversion system or speedometer. As such, the installation of these items are not included as they are not required by the FRA. These items can be installed by the railroad, or budget adjustments can be made for the installation there-of. This budget does include two seat boxes and two arm rests. As historic locomotives are exempt from FRA glazing, there is no requirement to install FRA glass. WRC witnessed a box of glass believed to be the required glass for the cab and cab doors.

Locomotive Bed to Tender Coupling \$3,477.50

It was suggested at the walk through that there may be a need for a new draw bar. This budget includes the option of cutting a new draw bar and installing new pins as may be required. This budget does not include the machining of new holes in the tender or locomotive bed.

***Appliances \$0.00**

The walkthrough revealed that the appliances have been serviced and finished and that 100% of the appliances are on location. WRC has excluded any budget in terms of cleaning, repair or alteration to any appliance. Unless otherwise noted, this budget will remain at zero. Appliances include, but are not limited to:

- | | |
|---|--|
| • Water glasses (2) | • Lubricators (hydrostatic or mechanical) |
| • Try cocks (if used, three) | • Hot water heaters (if used) |
| • Fusible plugs | • Dynamo Electrical Generator (s) |
| • Fire Doors | • Head Lights and Marker Lights, number boards if used |
| • Grates and Grate bars | • Running board lights and outlets |
| • Power Reverse Unit | • Others |
| • Injectors (2 forms of water injection required) | |

Piping Raw \$13,910.00

The location of some appliances will be moved. As such, much, if not all of the piping is to be renewed and replaced. This budget includes the raw cost of obtaining the piping and having the same bent and made as would be required by the placement of the appliances on the locomotive.

Piping Finished \$55,640.00

Much like the fire box, once the piping is in a raw state, it can then be finished and installed. This section includes the final fit and installation of the piping and piping materials on the locomotive.

Hot Riveting \$48,685.00

There is hot riveting to be completed in the smoke box, mud ring and possibly in a few braces. This section includes the purchase of required rivets, the reaming of the holes as may be required and the installation of the hot rivets by a qualified WRC employed crew.

WRC maintains all of the equipment to perform hot riveting on location.

(MIKE a few pictures of Hot Riveting need to be included in Projects section)

Once properly prepared and made ready, WRC feels that all rivets can be installed in one riveting session that will last about two weeks total.

Weld inspections/FRA Inspections \$13,910.00

Prior to replacing the boiler on the frame, WRC feels it best to inspect and test the boiler where it sits now and to obtain final boiler sign off by the FRA at this time. This budget includes aspects of that inspection and the items and work needed to carry-out the inspection.

***Install Tubes, Hydro Test \$34,775.00**

Prior to the final FRA inspection, the tubes will be cleaned, cut and installed as required. The tubes are on location and as many as 8 have been installed to hold the front and rear tube sheets in line with each other. This budget includes the cutting, the polishing and the rolling of the tubes into the tube sheet. As this is a coal burner, WRC proposes welding the fire box tube ends and then welding 25% of the front tube sheet, or beading 25% of the front tube sheet ns stays.

It was represented at the walk-through that the tube holes have been sized and polished for the tubes that have been purchased. WRC could not confirm the same, however, from the looks of it, it appears that this is true. This budget does not include extensive work to either tube sheet. If, during inspection it is found that the tube sheets need additional repair, this will have to be adjusted for in a budget adjustment. There is no way to determine if this is needed or not until all holes have been checked and inspected. The walk-through did not allow occasion for this at the time.

Complete smoke Box/Door. \$27,820.00

The smoke box door is incomplete and possibly not fit properly. Additionally, there needs to be holes cut for the steam pipes (dry pipes) smoke stack and anchors for the petty coat pipe. The new smoke box liner which is sitting on the flat car needs to have holes installed and then have the liner welded in place.

This budget does include needed repairs to the smoke box door as the repairs were noted as needing to be done at the walk-through. This section includes preparation for riveting, however, all hot rivets are included elsewhere in the budget.

Mount Boiler to Frame. \$27,820.00

This budget includes the possibility of having to hire in a crane to lift and install the boiler once complete. This budget also includes provisions for mounting of the boiler and work to waster and or furnace bears of the boiler.

Total Assembly \$83,460.00

This total assembly section accounts of items that can be completed mostly, but not 100% until the boiler is installed and the final application of parts can be completed. It is noted elsewhere that portions of the jacket and final appliance application are handled in this section of the project. This is a critical section as items that have not been addressed, or still need to be addressed are completed in this section.

Paint and Finishing. \$55,640.00

As is noted, WRC is a fully certified EPA field painting facility. WRC feels that all contractors who will engage in painting activities need to hold this qualification for this project. This budget includes the required safety system for painting in the building in which the locomotive is located. This budget also includes materials for a high quality DuPont Industrial Grade Paint to be applied. WRC will paint on all numbers on the cab and the use of vinyl lettering is not permitted on WRC paint projects. The painting includes a full black body, graphite smoke box and fire box, lettering, and green cab interior or any other interior cab color desired. WRC will also paint all valve handles red and detail as many other items as possible.

Test Operations/Training. \$20,865.00

This final section includes up to 5 days on location for final testing and operations. This section also includes a detailed operations manual for the use by the railroad. John E. Rimmasch will teach and instruct operators in a hands-on-class. This class will also include a test and copies of the manuals for all students. WRC feels it is the only contractor that will provide such detailed training and books at the completion of the project.

Warranties

There is/was no specific requirement to include a budget for warranties. This section has been excluded, there are no warranties unless otherwise agreed to and budgeted for.

Bonding

As per Addendum No. 2, the bonding aspect of the RFP and requirement to submit have been waived. Unless the sections are re-instated, there is no bonding that will be provided for.

WRC feels that the elimination of bonding was a benefit to the project. However, WRC encourages the selection committee to review the loss run records of all contractors and require that such records be submitted. WRC maintains a zero-loss run record and can hereto attest.

Total Design Build Assembly Cost. \$695,500.00

*** Asterisk Items:**

Items marked with an asterisk were represented at the walkthrough as being "100% complete, ready for assembly." As part of the RFP, the contractor must ensure FRA compliance and must ensure that the item will operate in service. As such, many items of this project have been completed by another contractor and there is no 100% assurance that the items marked by an asterisk are indeed 100% compliant and ready for assembly. During the assembly process if an item in a section marked with an asterisk is found to need additional work, materials or labor, there will have to be some provision or budget established for this type of work. It is hereafter made perfectly clear that Wasatch Railroad Contractors is not providing any warranty, written or implied, or will WRC accept any responsibility if awarded the project for incomplete or improperly assembled or designed aspects of the project that have been previously completed and accepted by Big South Fork Railroad.

Project Timing

One of the greatest advantages to selecting WRC is that we have a full staff for every aspect of this project. As such, we will not work in coordinated blocks of time, bringing in all of our sub contractors with high mobilization and demobilization and periods of no work being accomplished.

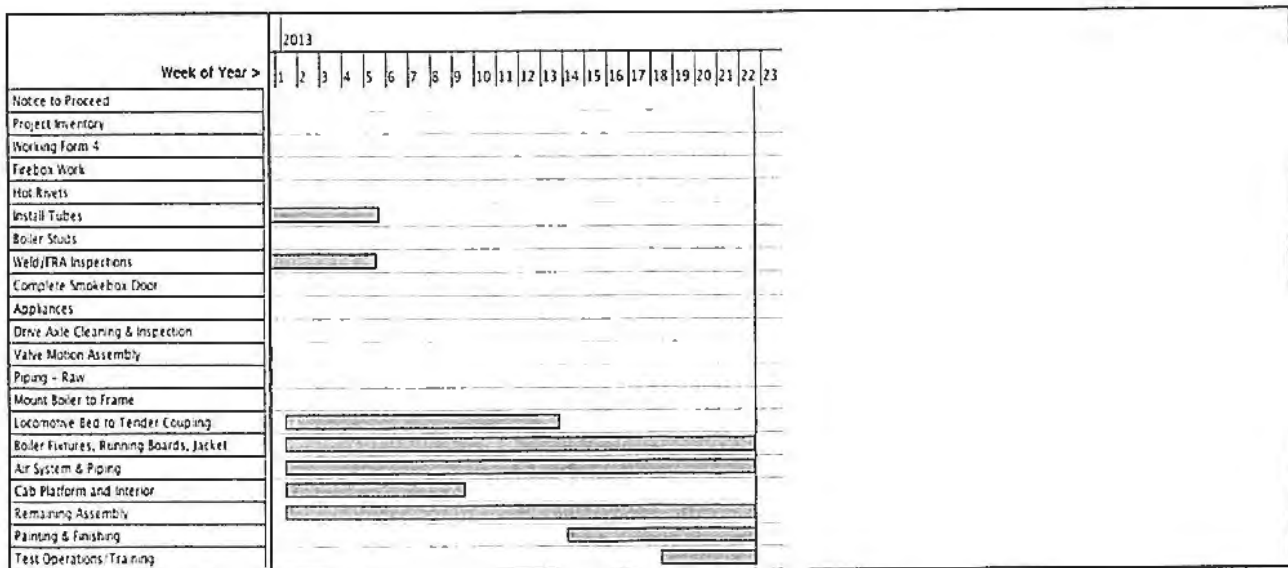
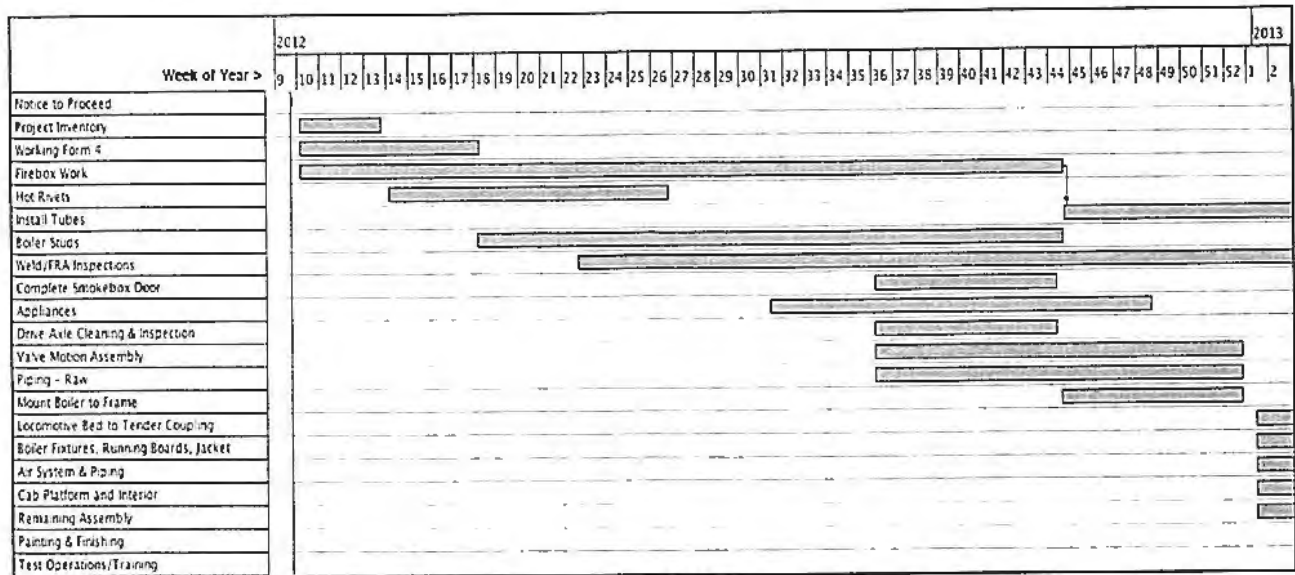
If awarded this project, WRC proposes that the project begin not after March 1, 2012 and that the project be 100% complete by Memorial Day, 2013. This is a total project time of about 15 months. WRC has a few feelings about projects like this:

1. The longer a project takes, the more a risk it has of going over budget. Likewise, when projects are budgeted for time and dollars, the project normally remains in budget and remains on time. This project extended the completion date as many as 36 months from project award. It is a proven fact that long projects, have even longer budgets. This project has run out of money and time once already. Why repeat this a second time? The selection committee needs to weigh heavily the cost against the time it will take to complete the project.
2. By dragging the project out, you increase the mobilization and demobilization cost. In other words, for every hour of work, you will end up with a higher volume of mobilizing time as the total calendar of the project extends. Every penny spent on travel or mobilization is one less penny spent on the actual project. This project needs a team to come in as few times as possible, work as long as possible and get in and out as fast as possible.

If you look at our budget closely, we have allocated enough money and cost to allow four men to be on the project full time for the space of one year.

This project needs a contractor like WRC that can dedicate 4 men to the project, full time for one year. Just think of it; Steam on Memorial Day 2013, within budget, on time. This is a real WRC project in the making!

Sample Project Timeline



CERTIFICATION REGARDING
SENATE BILL 258

Pursuant to 1994's Senate Bill 258, the bidder/offeree shall reveal to the Commonwealth, prior to the award of a contract, any final determination of a violation by the contractor within the previous five (5) year period of the provisions of KRS Chapter 136, 139, 141, 337, 338, 341 and 342.

For the purpose of complying with the provisions of Senate Bill 258, please list any final determination(s) of violations(s) of KRS Chapters 136, 139, 141, 337, 338, 341, and 342, which have been rendered against the bidder or offeror within the five (5) years preceding the award of this contract. Please include, the date of the determination the state agency issuing the determination. (Please use extra sheets if necessary.)

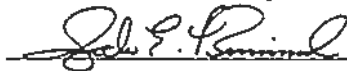
KRS VIOLATION	DATE	STATE AGENCY
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NONE

The contractor is further notified that 1994's Senate Bill 258 requires that for the duration of this contract, the contractor shall be in continuous compliance with the provisions of KRS Chapters 136, 139, 141, 337, 338, 341 and 342, which apply to the contractor's operations. Senate Bill 258, further provides that the contractor's failure to reveal a final determination of a violation of KRS Chapters 136, 139, 141, 337, 338, 341 and 342, or failure to comply with the above-cited statutes for the duration of the contract, shall be grounds for the Commonwealth's cancellation of the contract, and the contractor's disqualification from eligibility to bid or submit proposals to the Commonwealth for a period of two (2) years.

Name of Company: **WASATCH RAILROAD CONTRACTORS**

Authorized Officer:



Date:

February 10, 2012

**STATEMENT OF QUALIFICATION
SUBMITTED BY:**

By signing below you are agreeing to all Terms & Conditions that are a part of this Request for Proposals.

Include this page in your response to this RFP

Firm: **WASATCH RAILROAD CONTRACTORS**

By: **John E. Rimmasch**

Title: **Chief Executive Officer**

E-Mail Address: **jrimmasch@wrcc.us**

Address: **P.O. Box 20425
Cheyenne, WY 82003**

Telephone **(307) 778-7458**

Fax: **Available upon request.**

Date: **February 1, 2012**

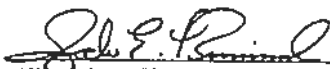
Federal ID Number: **20-2515732**

DUNS Number: **186783689**

If you do not have a DUNS number, contact Dun & Bradstreet at (866) 705-5711 or go to
<http://fedgov.dnb.com/webform/display/homePage.do>.

Firms must be registered as a vendor in the federal Central Consultant Registration (CCR). The online registration is at www.ccr.gov. Is the firm registered in CCR? Yes ☒ No ☐

Non-collusion Statement: By my signature below, I, individually and as an agent for the consultant responding to this Statement of Qualifications, certify that neither I, nor the business entity for which I am an agent, nor any other agent for that business entity, have entered into any agreement, participated in any collusion, or otherwise taken any action, in restraint of free competitive bidding in connection with this submitted bid. I understand that failure to submit this statement as part of the bidding documents shall make this bid nonresponsive and therefore not eligible for award consideration.


(Consultant Signature)

February 10, 2012
(Date)

**Please include a copy of your W-9 with your submitted proposal.
You cannot be awarded a contract until this is submitted.**

**Request for Taxpayer
Identification Number and Certification**

Give Form to the
requester. Do not
send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)
Wasatch Railroad Contractors

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:
☐ Individual/sole proprietor ☐ C Corporation ☒ S Corporation ☐ Partnership ☐ Trust/estate
☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ ☐ Exempt payee
☐ Other (see instructions) ▶

Address (number, street, and apt. or suite no.)
PO Box 20425

City, state, and ZIP code
Cheyenne, WY 82003

List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number

			-			-			
--	--	--	---	--	--	---	--	--	--

Employer identification number

2	0	-	2	5	1	5	7	3	2
---	---	---	---	---	---	---	---	---	---

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here Signature of U.S. person *[Signature]*

Date *1/4/12*

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

State of Wyoming

Office of the Secretary of State



United States of America, }
State of Wyoming } ss.

I, JOSEPH B. MEYER, Secretary of State of the State of Wyoming, do hereby certify that the filing requirements for the issuances of this certificate have been fulfilled.

CERTIFICATE OF INCORPORATION

OF

... WASATCH RAILROAD CONTRACTORS ...

Accordingly, the undersigned, by virtue of the authority vested in me by law, hereby issues this Certificate.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of Wyoming. Done at Cheyenne, the Capital, this 24th day of January A.D., 2005.



Joseph B. Meyer

Secretary of State

By *Pauline Dillman*

Certification for Federal-Aid Contracts

The prospective participant certifies by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

This certification is material representation of the fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each failure.

The prospective participant also agrees by submitting his or her bid or proposal that he or she shall require that the language of this certification be included in all lower tier subcontracts, which exceed \$100,000 and that all such subrecipients shall certify and disclose accordingly.

Company: **WASATCH RAILROAD CONTRACTORS**

Authorized Officer: 

Date: **February 10, 2012**

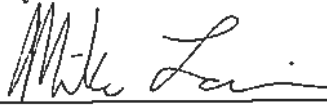
I acknowledge receipt of the following Addendum:

Addendum #1: YES

Addendum #2: YES

Addendum #3: YES

Any Additional Addendum (list all numbers): _____

 _____ Mike Lewis - Chief Information Technology Officer
Firm's Signature (all items above have been read and completed)

Signed Insurance Forms

WRC commits to full compliance with the insurance requirements set forth in the RFP. If awarded, WRC will provide insurance certificates within five (5) working days from time of award, as set forth in the RFP.

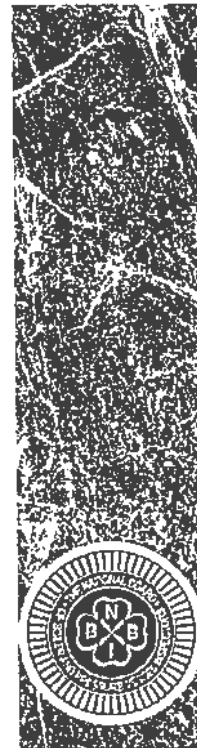
Signed Certifications

As per the e-mail dated February 8, 2012, the following pages contain the certifications and provisions requested in the RFP page 15 items A through E.

For item C in the RFP, please note that we are including a copy of our Certificate of Incorporation issued by the State of Wyoming. Together with the Certificate of Good Standing shown on page 4 of this proposal should be sufficient documentation to fulfill this requirement.

WRC holds nationally recognized ASME "S" and NBIC "R" stamps for new boiler construction compliant with the ASME Code, and Code boiler repairs compliant with the NBIC.

	CERTIFICATE OF AUTHORIZATION	
	This certificate certifies the named company is authorized to use the indicated symbol of the American Society of Mechanical Engineers (ASME) for the scope of activity shown herein in accordance with the applicable rules of the ASME Boiler and Pressure Vessel Code. The use of the Code symbol and the authority granted by this Certificate of Authorization are subject to the provisions of the agreement set forth in the application. Any construction stamped with this symbol shall have been built strictly in accordance with the provisions of the ASME Boiler and Pressure Vessel Code.	
	COMPANY	Wasatch Railroad Contractors 503 East Foxfarm Road Unit 7 Chapoyne, Wyoming 82607
	SCOPE	Manufacture and assembly of power boilers at the above location only
	AUTHORIZED EXPIRES	April 29, 2011 May 28, 2014
CERTIFICATE NUMBER	37,561	<i>[Signature]</i>
Chief President Company Assessment		<i>[Signature]</i>
Director, Regional Field Certification		<i>[Signature]</i>



THE NATIONAL BOARD
OF
BOILER & PRESSURE VESSEL INSPECTORS

Certificate of Authorization



This is to certify that

WASATCH RAILROAD CONTRACTORS
999 EAST FOX FARIM ROAD
UNIT 7
CHEYENNE, WYOMING 82007
UNITED STATES

*is authorized to use the "R" MARK in accordance with the
provisions of the National Board*

The scope of Authorization is limited as follows:

MILLIC RIFORMS AND/OR ALTERATIONS AT THE
WORK LOCATION AND EXTENDED FOR FIELD RIFORMS
AND/OR ALTERATIONS CONTROLLED BY THIS LOCATION

CERTIFICATE NUMBER: R-7401

ISSUE DATE: APRIL 7, 2011

EXPIRATION DATE: MAY 26, 2014

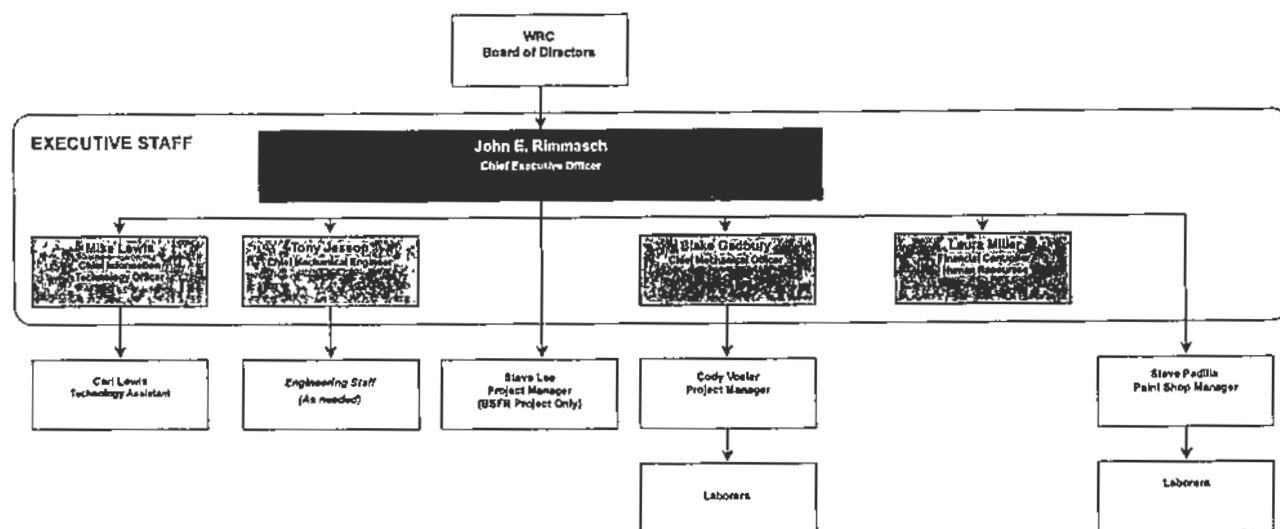


Copy to the Director

ASME New Locomotive Boiler Subcommittee Member

WRC is actively participating on the ASME Subcommittee in charge of writing the rules and standards for new locomotive boiler construction.

Company Organization



All members of the above listed organizational chart are full time employees of WRC. WRC is not proposing the use of any contract employees for the purpose of this project. The basic functions of each employee are listed below.

John E. Rimmasch

Chairman of the Board and Chief Executive Officer, John E. Rimmasch is the primary contact for this project. Mr. Rimmasch is the founder of WRC and is the primary share holder of the non-public company. Mr. Rimmasch has an extensive background in steam locomotive restoration as is noted in the Past and Current Projects section of this proposal.

Michael E. Lewis

Chief Information Technology Officer Michael E. Lewis is the primary scheduling and organization coordinator at WRC. Mr. Lewis and Mr. Rimmasch have worked together for well over 15 years in the historic steam restoration field. Mr. Lewis is also the recognized WRC Public Relations person. Mr. Lewis is responsible for final contract preparation as assigned by Mr. Rimmasch.

Tony Jessop

Mr. Jessop serves full time as the Chief Engineer at WRC. Mr. Jessop is trained in boiler design and ASME Code compliance. Mr. Jessop also handles the finite details of the project management for WRC. Mr. Jessop is also trained and conversant in 49 CFR Part 230 rules related to steam locomotives. Mr. Jessop will design, orchestrate and coordinate the vital aspects of this project. As a full time WRC Engineer, WRC has instant access to his skills when needed. As WRC is well versed in long-distance projects, Mr. Jessop will most likely maintain his home base office in Utah, while engineering the project via the Internet with the field managers.

Steve Lee

Retired Union Pacific steam department manager Stephen A. Lee now works for WRC as a project manager and coordinator. The Kentucky-born native has a deep railroading background and many years of experience in the steam restoration world. Mr. Lee's primary roll in this project would be that of project coordination and project oversight. Mr. Lee ensures that the project moves forward, remains on budget, and that problems are solved quickly and accurately. Mr. Lee is a valued member of the WRC team. Mr.

Lee has extensive background training FRA steam inspectors and was part of the committee that wrote the new FRA steam rules. Steve also serves on the ASME New Boiler Construction Committee. With family still living in Kentucky, Mr. Lee would be proud to represent this project as a native and spokesperson for the project.

Blake Gadbury

Mr. Gadbury serves as Chief Mechanical Officer at WRC. Mr. Gadbury manages the physical assets used on all WRC projects. Mr. Gadbury is also the ASME certified Quality Control Supervisor for the company. Mr. Gadbury's primary roll in this project is that of ensuring both FRA compliance and ASME/NBIC compliance as it relates to the boiler and all appliances of the locomotive. Mr. Gadbury also ensures that all WRC welders are ASME/AWS qualified and tested. As the QC manager, Mr. Gadbury is an integral part of this project's success.

Cody Vosler

Mr. Vosler is WRC's field welding foreman and would be assigned to this project full time. Mr. Vosler is a skilled welder emerging from the oil field industry. His welding skills are second to none. As a project manager and being on location for the project, Mr. Vosler ensures that all employees remain on task while the project progresses. Mr. Vosler is a motivator of sorts and works hard to get projects done quickly and accurately.

Laura Miller

Mrs. Miller ensures that all vendor and vendor relations for WRC are handled properly. Mrs. Miller is also the company accountant. Mrs. Miller ensures that man hours are recorded properly and then entered into invoice correctly and accurately. Mrs. Miller negotiates all vendor contracts to ensure best rates in all aspects of WRC projects. Mrs. Miller is a vital team player in financial control on this project.

Steve Padilla

A Veteran of Foreign Wars and highly skilled painter rounds off the key aspects of the WRC team. Mr. Padilla manages the EPA Field Painting Certification for WRC. The paints and coatings used on this project require by Kentucky State law that all paint contractors be EPA certified for field welding. WRC is the only known field painting contractor in the steam locomotive restoration field. Mr. Padilla and his five man team travel the US painting historic railroad equipment. Mr. Padilla and his staff will be in charge of the final painting and cosmetic issues of this project.

Additional Employees

WRC maintains a work force of anywhere from 15 to 30 full time employees at any give time. As such, WRC is clearly the largest single, all in-house, steam locomotive field restoration facility in the USA. Our extensive staff, great management team and skilled employees allow us to work multiple projects at one time, while providing detailed and focused service to each customer.

The selection committee of this project should weigh heavily the importance of having a large in-house staff for this project. This project can be completed in short period of time with a dedicated staff and support system needed to finish this project.

Additionally, as is mentioned in the Bid Sheet section of this proposal: WRC will use and has used local labor for projects like this. In the case of this project and in an effort to keep as much money in the local community as possible, WRC will hire local menial labor to complete this project under WRC supervision. The Railway also has the option of lowering the overall project cost by supplying man power to the project.

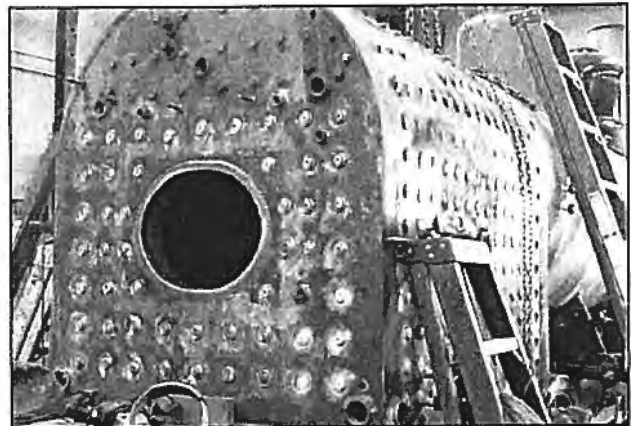
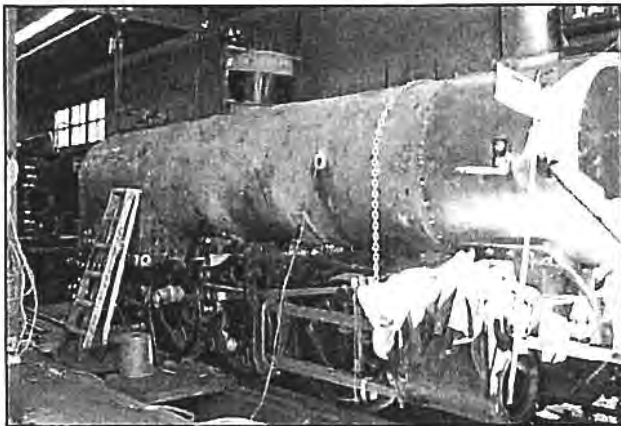
WRC Team Note

The core team noted in the organizational chart for this project is the same core, full-time team that is being proposed for this project. Again, WRC emphasizes that we are the largest, full time, in-house steam restoration firm in the USA and possibly in the world. There is no other dedicated full time team like WRC anywhere!

Past/Current Projects

WRC is proud of two key aspects with all of our projects. Of greatest importance to this project, WRC has an impeccable "on budget" record. WRC does not have a long list of customers who have been displeased with our budget performance. In fact, when possible, we will work under budget and ahead of schedule and ensure that the project is left with money in the end. With WRC you are left with a good assurance that this project and the budget submitted will be adhered to and maintained. Our second point is our ability to get projects done in the time frame that we specify and in a manner pleasing to the customer. Our basic philosophy is that of getting in and out of projects as quickly as possible. The ability to maintain a budget and maintain a schedule are key aspects of our success. Last, but not at all least, our customers are and have been very pleased with the end finished project. Our projects have been safe, compliant, and accurate in all aspects. Here are a few examples:

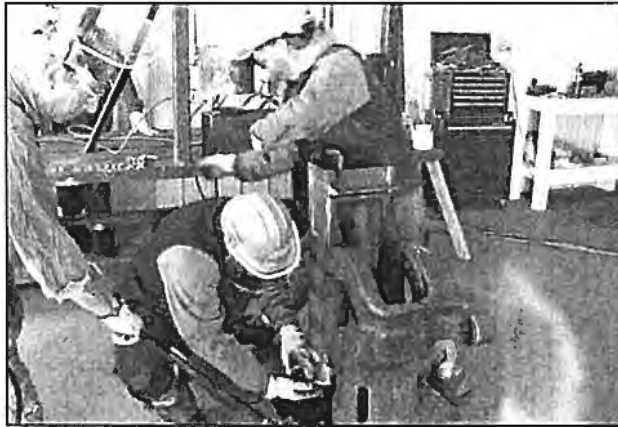
Georgetown Loop No. 12



Above: Georgetown Loop No. 12 was equipped with a ASME Code boiler, therefore any subsequent repairs are required to be performed by a shop holding a NBIC "R" Stamp certification. WRC was called in to make several repairs to this boiler. Since the work was completed, the locomotive has operated well for the last two and a half years. WRC has ongoing projects with the Georgetown Loop.

This project funded by the State of Colorado had been plagued by a variety of contractors who had come to the project making big promises, taking a lot of time, and then charging far more than a fair rate. WRC was called in to clean up the project, take over the project where it was and see the project to completion. Though our primary function was that of boiler reconstruction and repair, we also oversaw aspects of the running gear portion and the final assembly. Our portion of this project was on time and on budget. One change order was issued for an unforeseen condition in the boiler, but the end impact was minimal. WRC ensured 49 CFR compliance on this project. The project has run for three years with no major failures and only periodic maintenance. The FRA has taken no exception to the work performed by WRC on this project.

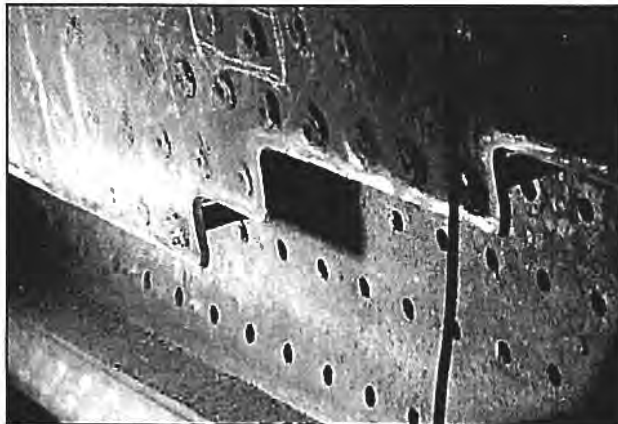
Union Pacific No. 844



Above: WRCs activities with UP 844 range from reconditioning a crosshead with new babbitt (left), to assisting in rebuilding the new firebox in 2005, to providing additional mechanical support on selected excursions (Tacoma, WA pictured on right.)

Two years into the rebuild of Union Pacific railroad No 844, WRC was brought in as a welding and completion contractor for the boiler repairs that were being completed. The project had stalled and cost was increasing. Within one year, WRC had contained the costs, completed the project, and ensured FRA compliance of the running locomotive. Though WRC was not the only contractor on this project, WRC did have a major roll in the success of the project. The boiler operates today with no failures other than normal wear and tear and the FRA has taken no exception to the work WRC has completed on this project.

Union Pacific No. 3985



Above: WRC assisted in repairing several sections of the firebox of No. 3985. On the left shows the sections removed, on the right shows the finished patches installed.

At the completion of the 844 project, Union Pacific retained WRC for firebox repairs to the worlds largest operating steam locomotive. WRC made a number of repairs to the boiler and oversaw extensive work to the running gear. This locomotive operates today as a key aspect of the Union Pacific Steam Program.

Ohio Central No. 33

Though WRC was established in June of 1999, the company CEO, John E. Rimmasch, remained employed in the private sector for few years following 1999. Mr. Rimmasch's last private sector project was the complete restoration of Ohio Central No. 33. This project cost a total of \$650,000.00 and included a nearly-new firebox, many boiler repairs, a complete disassembly of the running gear with new bearings, new bushings, rebuilt brake rigging, and many frame repairs.

The most amazing part of this project is that the project began in January of 2004 and ended in August of the same year. The project employed staff working 24 hours a day to complete the project. This locomotive was completed without FRA exception and operates as a special excursion locomotive on the system today. This project is an example of a big project compressed into a small time period with the best money controls possible. It is noted in the bid sheet section that WRC has completed bigger projects that the one being proposed for less money than has been specified for this project. The BSFSR project should not exceed, nor should it come close to the projected cost for this project.

Golden Gate Railroad Museum (Southern Pacific No. 2472)



Left: SP No. 2472 during a Memorial Day excursion on the Niles Canyon Railway.

Right: John Rimmasch (WRC) with a crew from the Golden Gate Railroad Museum while the 2472 and other GGRM equipment was being relocated from Hunter's Point to the Niles Canyon Railway. WRC facilitated in coordinating the move over an active rail network.

For the past twenty years John E. Rimmasch and the WRC team have been part of the Golden Gate Railroad Museum. Our projects have included running gear work, weighing of steam locomotives and shimming thereof, boiler repairs and boiler modifications, operations and FRA compliance inspections, and training classes. WRC has had no exceptions taken to the work it has completed with this locomotive.

Niles Canyon Railway / Pacific Locomotive Association

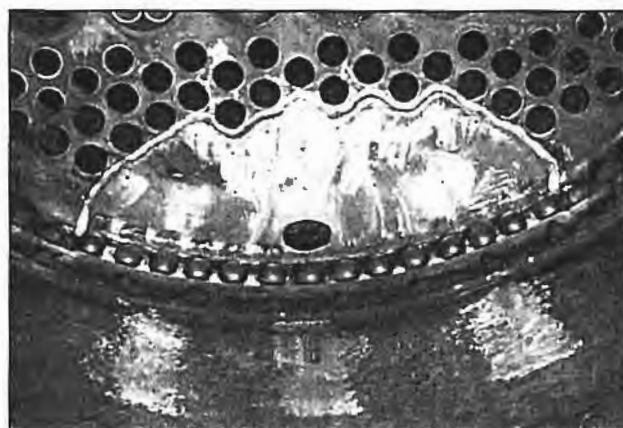
Not one, not two, but three PLA projects have had the helping hands of WRC assist in successful completions of the project. PLA is known for their strict bidding rules and cost controls. WRC is invited back time and time again as we can produce and live up to the bids that we complete for the PLA. We have never been over budget and a number of times we have actually come under budget on our projects. In some cases, we have done additional work within a budget using money that was established and not used. WRC has also performed inspections and ensured FRA compliance with all PLA projects.

SNCF No. 141 R 568, Switzerland, William Cook Rail, GmbH



Left: Ex-SNCF No. 141 R 568 in October 2008 as the WRC crew and several UK volunteers work to prepare the locomotive for an upcoming test run. Up to this point, the running gear had been trammed, the coal stoker repaired, and several staybolts had been replaced in the firebox.

Right: 141 R 568 operates a test run from Schaffhausen, Switzerland to Bülach, Switzerland. WRC was onboard to assist in troubleshooting and fine tuning the locomotive. The mainline in this location passes through a short section of Germany. (Photo by Otto Bachmann)



Left: WRC obtained an EU certification (comparable to our NBIC "R" Stamp certification) with Swiss authorities in order to complete this front tube sheet patch. This picture was taken after final welding and riveting of the patch.

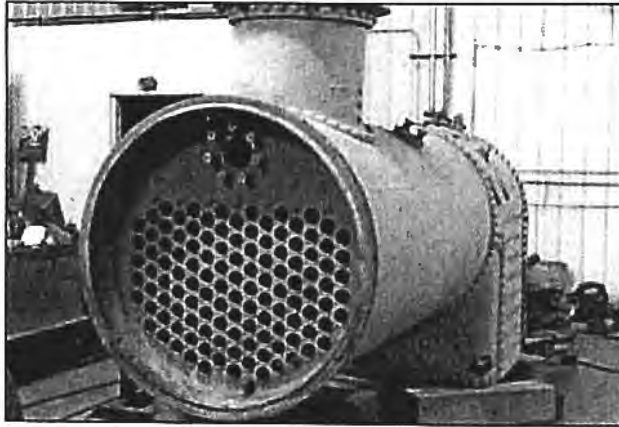
Right: A view of the riveting process for the front tube sheet patch.

All of the above projects were field projects for WRC. Of most note, WRC is the only known US Steam Locomotive Contractor who holds both US and EU (European Union) welding credentials. Sir Andrew Cook— private owner of former French National Railway (SNCF) No. 141 R 568, a US-built Marshal Plan locomotive— secured the services of WRC to oversee his operation. Not only have we performed running gear and boiler maintenance, we have done so under Swiss and EU regulations with no exceptions taken by either oversight entity.

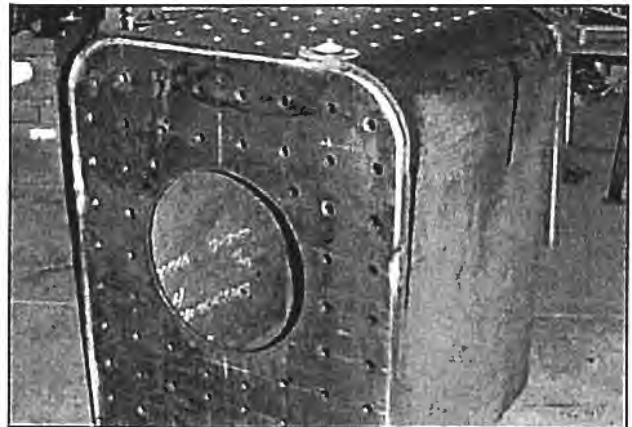
This locomotive operates on one of the worlds premier high speed passenger rail lines (Switzerland) with no major failures of problems. WRC is proud of our ability to work in distant locations, quickly and cost effectively. Prior to the introduction of WRC to this project, the project was bleeding money heavily and was slated for abandonment. WRC's fiscal control not saved the project, it has secured a long future for the project moving forward.

New Boilers

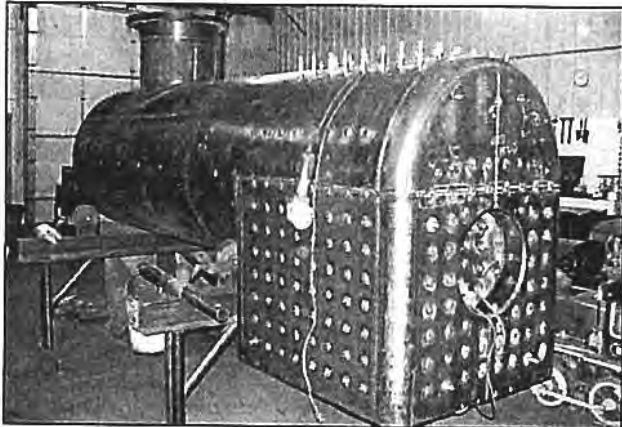
WRC is building and has built more new Steam Locomotive boilers in 2011 than any other distributor. WRC is a certified ASME "S" and NBIC "R" Stamp shop. These two credentials, along with the EU welding certificates that we hold make WRC the most highly qualified railroad boiler repair facility in the USA. Furthermore, we are also one of the most competitively priced welding contractors in the industry. Here are a few examples of boilers and boiler projects that have been completed at the WRC facility.



Left: This is a German-built boiler from a narrow gauge locomotive. The owner was having the locomotive repaired for operation, however his local repair shop could not make the repairs to satisfy State requirements. WRC was asked to evaluate the old boiler, and ultimately it was decided to have a new ASME Code boiler built.



Right: Firebox assembly for the new boiler.



Left: New boiler nearing completion.

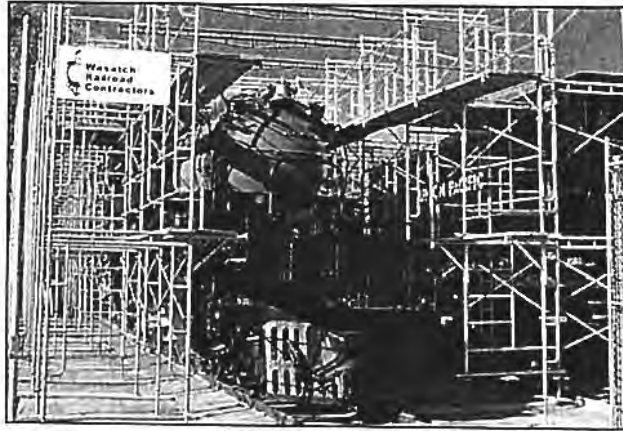


Right: The finished boiler passed all ASME requirements and after certification was shipped back to the owner for installation and operation.

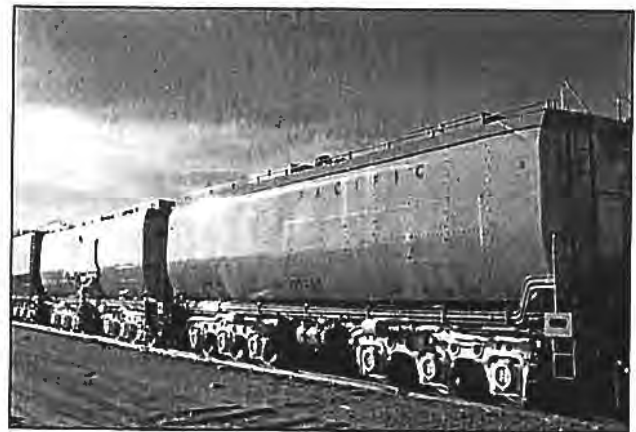
Paint Projects

WRC is the only steam locomotive restoration facility that is fully approved by the EPA as a field painting shop. This means that WRC can accurately and correctly paint a steam locomotive on location in full compliance with all EPA regulations. The State of Kentucky enforces the EPA rules for painting with high-quality, catalyzed paints used on steam locomotives. Among our paint projects completed in the field, we have painted steam locomotives to passenger cars and even freight cars, all of which were done under full authority of the EPA.

Though it is not spelled out in the RFP, WRC is encouraging the selection committee to ensure that the winning firm for this project has included full EPA qualifications in the final cost. As this project is funded by Federal money, and as the EPA is a Federal Agency, this paint project should fully conform to all EPA regulations. WRC can and has proven our ability to conform to this regulation with no exception.



Above: The Big Boy Locomotive in Omaha, NE was cosmetically restored on-site in the middle of a botanical garden with zero environmental impact. The scaffolding shown in the left photo was enclosed to create an environmentally-friendly paint booth. Project was completed October 2005.



Above: WRC completed modifications as well as cosmetic refurbishment of these two water tenders for the Union Pacific Steam Locomotive Department in 2005 and 2006.



Above: WRC performed complete exterior restoration and paint work for a fleet of passenger equipment in Denver, CO in 2010.

Training Manuals



WRC has also provided training and training materials to organizations which are new or returning to steam locomotive operations. Shown above is a steam locomotive operation and maintenance manual for the Abilene & Smoky Valley railroad, followed by a sample page for a stoker operation manual for SNCF 141 R 568. WRC has also provided the layout and design for fireman training manuals, railroad rule books and several other training materials for various railroad organizations, who provide the content for such materials.

Past Performance Record, Budget and Time

It has been noted above that our most redeeming abilities as a company include:

1. Ability to maintain a budget;
2. Ability to maintain a schedule; and
3. Ability to perform at or above the customer's expectation and hopes.

It is also noted that WRC has a zero loss run record. We have had no major on sight accidents and we have zero lost time accidents. WRC has never settled any dispute by mediator nor has WRC ever litigated a case with or against a customer.

WRC solves problems, creates long-term relationships, and is trusted by all current customers. WRC is well-liked, well-respected and very accomplished in terms of ability and past performance on projects identical to this project.

Project References Sheet

Though not required by the RFP, WRC is supplying the following reference sheet. If for any reason you have difficulty reaching any of our references, please let us know:

Nevada Northern Railway

Mark Bassett, Executive Director
P.O. Box 150040
East Ely, NV 89315
director@nnry.com
(775) 289-2085 ext. 7

- Assessment of locomotive running gear and complete reporting of such inspections.
- Ability to prepare railroad equipment for highway transportation and provide oversight for such moves.

Golden Gate Railroad Museum

David Varley, Chief Mechanical Officer
1755 East Bayshore Road, Suite 19A
Redwood City, CA 94063
dvarley@aol.com
(650) 365-2472

- Assessment of locomotive running gear and complete reporting of such inspections.
- Ability to prepare railroad equipment for mainline rail transportation and provide oversight for such moves.

Georgetown Loop Railroad

Mark Graybill, Executive Director
georgetownenterprises@yahoo.com
(888) 456-6777

- ASME Code boiler repairs.
- Ability to work within budgets defined by government funding and maintain schedule.

William Cook Rail, GmbH

Contact: David Edwards
dwards@william-cook.co.uk
(011) 44-77-12-66-2715

- Locomotive boiler repair and maintenance.
- Locomotive appliance maintenance and rehabilitation.
- Locomotive running gear troubleshooting, rehabilitation and repair to meet the equivalent of US Class I operational requirements.
- Ability to work within budgets defined and maintain schedule.

Union Pacific Heritage Program

Mr. Steve Lee, Manager - Retired
slee@wrc.us

- Locomotive running gear maintenance.
- Ability to work on major projects in short time lines.
- Cosmetic and operational restoration of railroad equipment to meet high demands of Class I ("mainline") operations.

Payment Terms

WRC has reviewed the proposed payment schedule for this project. WRC generally agrees with the schedule and does respectfully request the following provision:

- WRC will submit every 14 days an invoice for work completed. The invoice will include a detailed journal that will note all employee time used, all supplies billable to the project used and detailed account of the work performed. WRC will include projected percentage of any given project completed.
- Invoices will be issued net 20, providing ten days for review and 10 days for payment to be made. WRC feels that as this project is one to be completed quickly, that waiting any more than 30 days from date of invoice for actual payment is simply not reasonable. WRC is willing to negotiate payment options that are reasonable and industry accepted.

Insurance

In all cases WRC can comply with the insurance requirements of the RFP. WRC will procure Workers Compensation for the State of Kentucky as the Wyoming and Kentucky states do not have reciprocating agreements. All WRC insurance and bonding is provided by top rated and known insurance and bonding agencies.

WRC can produce all insurance certificates within five days of award of contract or notice to proceed as required by the RFP.

Bonding

WRC is prepared to bond the project. However, with a perfect loss run record, and zero claims made, WRC kindly requests that if WRC is the awarded firm, that our request to waive this section be considered. Our grounds for request to waive bonding is as follows:

- WRC has a zero loss run record having never litigated, nor negotiated any settlement related to no performance, poor performance, or inability to complete. The cost of bonding has been included in the cost of the project, however, this money is better spent on the project, not in an area that has little likely-hood of being used. Though we are prepared and though we have provided proof of our ability to bond this project as required, we also know that there is precedent for waiving bond requirement based on past performance. Our record is substantial proof that bonding WRC should not be required and that we could honorably request a waiver to the bonding.

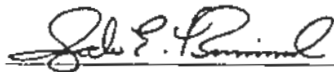
Conclusion

We strive to place ourselves in the shoes of our customers. As we do this, we weigh heavily the Customer's needs and desires of the customer and the mission of the project. As we look at this project, we believe that our proposal will undoubtedly be one of the most appealing to the railroad and the selection committee.

Though the comment may sound a bit tenacious, the realities as they stand are this:

- Our ability to get this project done quickly and sooner than required must be a benefit to the railroad.
- It is possible that we are the only potential bidder with the full ASME new construction and NBIC boiler repair credentials.
- • Our past boiler performance and our extensive background in boiler repair should provide a heavy amount of confidence to the selection committee.
- WRC is a fully staffed organization. Our ability to provide one team, for one period of time and simply get this project done must be an advantage.
- Finally, we feel that the total budget for the project is more than would be actually required to get this project finished on time and ensure full compliance with all FRA regulations.

I, John E. Rimmasch, Chairman of the Board and Chief Executive Officer of Wasatch Railroad Contractors hereby attests to and certifies that this proposal is accurate and factual. I hereby sign and date this proposal as the certified and duly authorized representative of Wasatch Railroad Contractors,



Date: February 10, 2012