



February 9, 2012

Mr. Michael Rodgers  
Illinois EPA  
Bureau of Air  
P.O. Box 19276  
Springfield, IL 62794-2976

Re: TIP ID# 01090006

Dear Mike,

Thank you for the opportunity to review our grant for the purchase of two GenSets for use in the Amtrak Chicago Yard. We appreciate your assistance.

Attached is the letter from the GenSet manufacturer, Motive Power, that describes the reason for the significant price discrepancy from the original grant request which was based upon a GenSet ordered for use at the Amtrak Oakland, CA Yard. (We had received permission from Illinois DOT to sole source this grant for the two Chicago GenSets.)

Also, attached is a notice from Motive Power describing the change in delivery date for the two GenSets. This notice was sent to Jason Johnson a few days ago for his review.

Amtrak requests 100 percent funding for Grant TIP ID# 01090006 for the two GenSets. We appreciate the re-review of our request based on the changes in price and delivery date.

Please contact me at 202-906-3278 if you have questions.

Sincerely,

A handwritten signature in black ink that reads "Roy Deitchman". The signature is written in a cursive, flowing style.

Roy Deitchman  
Vice President  
Environmental Health and Safety

cc: Holly Ostag – CMAP  
Jason Johnson – IDOT  
Ellen Jurczak  
Mark Bagosy



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31 January 2012

AMTRAK

Attn: Mark Bagosy  
30<sup>th</sup> and Market Street, 5<sup>th</sup> Floor South  
Philadelphia, PA 19104

Mr. Bagosy;

Per your request, I am sending a letter responding to Amtrak's inquiry on price for two (2) MP14B genset switcher locomotives.

The model quoted in this letter is identical in design and specification to the unit delivered to Amtrak's Oakland facility in 2010 (AMTK 590).

The quoted price is based on the aforementioned specification. Variances in the locomotives material are a function of new revisions of the same part number; the most significant of which is the engine (Cummins QSK19). The larger variances, and their associated cost increases are discussed below. Pricing does not include any applicable taxes or freight costs (Incoterms, EXWorks, MPI, Boise, Idaho).

MotivePower is appreciative of the opportunity to provide this quotation and understand the dire need for information. The price for the locomotives is *two-million, fifty-thousand dollars and zero cents (\$2,050,000.00) each* or a total cost of *four-million, one-hundred-thousand dollars and zero cents (\$4,100,000.00)*. These prices are quoted in US dollars and are subject to executive approval of schedule.

The initial schedule (assuming Notice to Proceed by 2/27/12) would be delivery of the first unit by 27MAR2013 and the second locomotive by 10APR2013. These delivery dates are subject to capacity and may be consumed by new orders placed in advance of Amtrak.

There is a significant price discrepancy from the original MP14B (AMTK 590) shipped to Oakland, and the current quotation. The new price takes the following into consideration:

- The original locomotive's, delivered to Amtrak's Oakland yard, real costs (material and labor) were more than original agreed upon price.
- Increase in material costs (steel, wire and cabling) consistent with current BLS Producer Price Indices
- Increase in labor costs consistent with current BLS Producer Price Indices
- Increase in cost of Cummins QSK19 engines
  - Re-certified to EPA Tier 3 Locomotive

All specified material and design for MotivePower's MP14B is predicated on mutual agreement of terms and conditions. MotivePower recommends utilizing the agreed upon contract for the



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locomotive delivered to Oakland, CA (AMTK 590) with negotiated provisions for the IDOT requirements.

MPI is pleased for the opportunity to work with Amtrak and look forward to a continued, long-term relationship.

Best regards,

Garrett Riley

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26 January 2012

AMTRAK  
Attn: Mark Bagosy  
30<sup>th</sup> and Market Street, 5<sup>th</sup> Floor South  
Philadelphia, PA 19104

Mr. Bagosy;

Per our phone conversation that took place Monday, 23JAN2012, I sending this letter out to you that addresses delivery of the two (2) MP14B locomotives per your request.

The initial schedule (assuming Notice to Proceed by 2/27/12) would be delivery of the first unit by 27MAR2013 and the second locomotive by 10APR2013. I understand the need to have the units delivered by December of 2012, however, we (MPI) are unable to meet this request.

The principal reason for a delayed schedule involves capacity. With the current workflow through the shops and commitments to work booked in 2010 and 2011, the aforementioned dates would be the soonest we could deliver. We are currently building locomotives for three different rail agencies and will deliver a record number of new locomotive models out of our facility. We do have "room" on the premises to build more locomotives, just not the resources needed to perform the functions involved in completing the build. This is our challenge. The next "window" in the shops is early 4Q 2012.

Please note the delivery dates are subject to capacity and may be consumed by new orders placed in advance of Amtrak.

We want to help and would appreciate the opportunity to build these locomotives for Amtrak. In an effort to expedite the schedule, MPI went through various iterations, unfortunately the net effect happened to result in a delayed delivery.

Best regards,

Garrett Riley

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# Chicago Metropolitan Agency for Planning

## CMAQ Cost Increase Analysis

TIP ID: **01-09-0006**

Description: **Retofit of Amtrak Switcher Engines**

### Ranking Computation

	2009 Award	2010 Award	2012 Increase
Kilos VOC eliminated	15,812.23	11,430.53	15,812.23
Cost	\$3,000,000	\$1,500,000	\$ 4,100,000
\$/Kilo VOC eliminated	\$ 190	\$ 131	\$ 259
Rank			

### Project Expenses

	Federal Share	Total	Fed %	Basis
2009 Award	\$1,200,000	\$3,000,000	40.0%	Approved Project
2010 Award	\$1,200,000	\$1,500,000	80.0%	Approved Project
2012 Increase	\$4,100,000	\$4,100,000	100.0%	Letter from Sponsor
Increase Amount	\$ 1,700,000	\$ (400,000)		

		<b>2010 Program</b>		
Sponsor	Facility to be Improved		Proposed Program	\$ Per Kg VOC Eliminated
CTA	Diesel Particulate Filter Retrofit for CTA Buses			\$252
Cook County Dept of Environmental Control	Cook County DPF Diesel Retrofit		\$ 582,738	\$110
IEPA	Retrofit of Amtrak Switcher Engines		\$ 1,200,000	\$131
Riverdale	CSXT Barr Rail Yard Switch Engine Retrofit		\$ 2,925,000	\$133
Franklin Park	Indiana Harbor Belt Railroad Switcher Engine Retrofit		\$ 958,100	\$145
Berkeley	Union Pacific Proviso Railyard Switcher Engine Retrofit			\$168
Riverdale	Indiana Harbor Belt Railroad Retrofit			\$176
Bedford Park	BRC Clearing Yard Switcher Retrofit			\$183
Lake County	Diesel Retrofit Project		\$ 23,400	\$71
IEPA	Norfolk Southern Railway Co Switchyard Diesel Locomotive Retrofit Project			\$230
IEPA	Retrofit of Amtrak Switcher Engines		\$ 1,200,000	\$259
Hoffman Estates	Diesel Fleet Emissions Reduction Project		\$ 221,600	\$413
Pace	Diesel Engine Retrofits		\$ 2,340,000	\$539
Metra	Installation of GenSets on Two Metra Switch Engines			\$857
Riverdale	Diesel Vehicle Replacement Program			\$12,125
Itasca	Public Works Diesel Emissions Reduction Project			\$11,482
IDOT	IDOT Maintenance Fleet Air Pollution Reduction Effort			\$1,575

		<b>2009 Program</b>		
CMAQ ID	Facility to be Improved		\$ Per Kilo VOC Eliminated	Proposed Program
DR13093149	Cook County Dept of Environmental Control-Cook County Fleet Diesel Retrofit		\$31	\$633,873
DR13093151	Pace-Bus Diesel Engine Retrofits		\$130	\$4,548,080
DR13093150	IEPA-Chicago Area Diesel Retrofit Program		\$111	\$1,000,000
DR01093127	IEPA-Retrofit of Amtrak Switcher Engines		\$190	\$1,200,000
DR01093125	CDOE-Chicago Diesel Emissions Reduction Project		\$275	\$1,739,000
DR04093133	Berkeley-Union Pacific Proviso Railyard Switcher Engine Retrofit		\$212	\$2,080,000
DR01093126	IEPA-Norfolk Southern Railway Co Switchyard Diesel Locomotive Retrofit Project		\$213	
DR06093132	Bedford Park-BRC Clearing Yard Switcher Retrofit		\$232	\$2,925,000
DR01093127	IEPA-Retrofit of Amtrak Switcher Engines		\$259	\$1,200,000
DR07093135	IEPA-CSXT Barr Rail Yard Switch Engine Retrofit-Year 2 & 3		\$266	
DR13093148	Riverdale-Indiana Harbor Belt Railroad SD-20 Retrofit		\$320	
DR05093134	Cicero-Cicero Rail Yard Locomotive Diesel Retrofit		\$372	\$1,820,000
DR13093142	Franklin Park-Indiana Harbor Belt Railroad Switcher Engine Retrofit		\$403	\$2,763,150
DR13093182	IDOT-IDOT Maintenance Fleet Emissions Reduction		\$821	\$800,000
DR07093136	Riverdale-Biofuels Facility for the South Region		Not Analyzed	