

Exhibit F Financial Proposal Submittal Requirements

The Authority Financial Proposal shall contain the following:

Section	Reference	Instructions
Price Proposal	Section A	The Offeror shall complete Form A-1, which will be used to complete Attachment B to the Authority Contract Signature Document
Cost Model	Section B	The Offeror shall develop a Cost Model provide support of the Price Proposal
Pre-Proposal Submittal Requirement – Indices	Section C	Offeror shall provide pre-proposal submittal requirements for escalation to complete Schedule 4 and as required in Section 12 of the Instructions to Offerors
Whole Life Cost Model	Section D	The Whole Life Cost Model shall be used for Evaluation Stage 4
Base Case Escalation for Evaluation Purposes	Section E	Base Case escalation shall be used for evaluation purposes in the Whole Life Cost Model
Financial Plan	Section F	The Offeror shall submit a Financial Plan

Section A. Price Proposal

The Offeror shall complete Form A-1 (Price Proposal) with the Offeror's pricing information. The Price Proposal shall be used to complete Attachment B to the Authority Contract Signature Document. This section provides the instructions for completing Form A-1 and Attachment B to the Signature Document.

The Price Proposal will form the basis to complete Authority Whole Life Cost Model (see Exhibit H), which be used in Evaluation Stage 4 set forth in Exhibit A. Instructions to complete the Authority Whole Life Cost Model is presented in Section D below.

Capitalized terms used in this Exhibit F that are not otherwise defined in the ITO shall have the meaning given them in the Authority General Provisions.

1. Price Proposal

1.1. Milestone Contract Amount

The Offeror shall input the unit price of each of the products and services required of the Contractor into Form A-1. The Offeror shall calculate the total price without escalation of each of the products and services by multiplying by the quantity of units, as set forth in the Contract, by the unit prices. The sum of the total prices without escalation of each of the products and services shall comprise the Milestone Contract Amount in Form A-1.

The Milestone Contract Amount shall be entered into Attachment B to the Authority Contract Signature Document. At the Price Adjust Date, the Milestone Contract Amount shall be adjusted for escalation as set forth in Schedule 4 to the Authority Contract General Provisions.

1.2. Authority Costs Under Amtrak Contract

The Offeror shall input the unit price for the Design, Mock-Ups, and Prototypes to be delivered to the Authority under the Amtrak Contract into Form A-1. The unit prices shall only be for the Authority costs and exclude any costs associated with deliverables to Amtrak. The Offeror shall calculate the total price without escalation of the Design, Mock-Ups, and Prototypes by multiplying the quantity of units, as set forth in the Amtrak Contract, by the unit prices.

These costs shall be excluded from Attachment B to the Authority Contract Signature Document. However, these costs will be evaluated in Evaluation Stage 4 through the Authority Whole Life Cost Model.

1.3. Fleet 2, Fleet 3, and Fleet 4

The Offeror shall input the unit price of each Trainset for three (3) Fleets (Fleet 2, Fleet 3, and Fleet 4) of up to five (5) additional Trainsets each into Form A-1. These shall be known as Fleet 2 Options Unit Price, Fleet 3 Options Unit Price, and Fleet 4 Options Unit Price.

The Fleet 2 Options Unit Price, Fleet 3 Options Unit Price, and Fleet 4 Options Unit Price shall be entered into Attachment B to the Authority Contract Signature Document. At the respective

Price Adjust Date for Fleet 2, Fleet 3, and Fleet 4, the unit prices shall be adjusted for escalation as set forth in Schedule 4 and entered into Attachment B to the Authority Contract Signature Document. The escalated Fleet 2 Options Unit Price, Fleet 3 Options Unit Price, and Fleet 4 Options Unit Price shall be multiplied by the number of Trainsets in each Fleet, as selected by the Owner, to calculate Fleet 2 Milestone Contract Amount, Fleet 3 Milestone Contract Amount, and Fleet 4 Milestone Contract Amount and be entered into Attachment B to the Authority Contract Signature Document.

1.4. Manufacturing Restart Payment

The Offeror shall input the Manufacturing Restart Payment into Form A-1.

The Manufacturing Restart Payment shall be entered into Attachment B to the Authority Contract Signature Document. At the Price Adjust Date for a given Fleet, the Manufacturing Restart Payment shall be adjusted for escalation as set forth in Schedule 4 to the Authority Contract General Provisions.

1.5. Service Payment

The Offeror shall input the Service Payment into Form A-1. The Offeror shall indicate in Form A-1 the portion of the Service Payment that is periodic (for consumables and spares that are required on a monthly basis and not dependent on mileage of Fleet 1) and the portion of the Service Payment that is mileage-based (for consumables and spares that are required to meet the mileage projected in the Baseline Fleet Mileage Schedule and are dependent on mileage of Fleet 1).

The Service Payment shall be entered into Attachment B to the Authority Contract Signature Document. The Service Payment shall be adjusted for escalation pursuant to Schedule 4 to the Authority Contract General Provisions.

1.6. Incremental Service Payments

The Offeror shall input the Trainset Incremental Service Payment into Form A-1. The Trainset Incremental Service Payment shall reflect the payments for spares required on a monthly basis for each Trainset from Fleets 2-4 that are in the Trainset Service Period (as defined in the Authority Contract).

The Offeror shall input the Mileage Incremental Service Payment into Form A-1. The Mileage Incremental Service Payment shall reflect the payment for less or additional spares required on a monthly basis to service the Authority's Trainsets for each 1% incremental mileage above or below the Baseline Fleet Mileage Schedule, as explained in the Authority Contract.

The Trainset Incremental Service Payment and the Mileage Incremental Service Payment shall be entered into Attachment B to the Authority Contract Signature Document. In accordance with Schedule 4, the Trainset Incremental Service Payment and Mileage Incremental Service Payment shall be adjusted for escalation on an annual basis.

Section B. Cost Model

The Offeror shall provide a Cost Model that supports the Price Proposal.

Cost Model Requirements

The Cost Model must meet the following minimum requirements:

- a. be compatible with Microsoft Excel 2007;
- b. not incorporate workbook, worksheet or macro password protection;
- c. not contain any hard coded data, other than the inputs set out in separately identifiable input sheets;
- d. be expressed in U.S. dollars (USD) as of the Close Date without escalation and in nominal terms with Base Case escalation (see Section E on Base Case escalation) as specified;
- e. include inputs and assumptions, supported by a complete data book (with all relevant calculations);
- f. clearly differentiate between inputs and workings during the periods outlined in Part 1 below;
- g. be prepared in terms of IFRS, with appropriate accounting treatment applied throughout the periods covered in the Cost Model;
- h. able to perform sensitivities on all the key assumptions/inputs based on the scenarios presented in Part 4 below;
- i. include detailed instructions for a user to calculate and optimize the model.

1. Periods

The Cost Model shall have two periods: (1) Construction Period and (2) Operations and Maintenance Period and shall be consistent with the periodicity and timing of the Authority Whole Life Cost Model.

2. Cost Model Outputs

The Cost Model submitted by the Offeror shall include the following outputs:

- a. Output A-1: Price
- b. Output A-2: Pro Forma Financial Statements of the Contractor
- c. Output A-3: Forecast Sources
- d. Output A-4: Forecast Uses
- e. Output A-5: Forecast of Key Financial Ratios and Covenants

2.1. Output A-1 – Price

Output A-1 shall be consistent with the prices provided in Form A-1 and the Whole Life Cost Model such that the Authority can determine the buildup of the price.

2.2. Output A-2 – Pro Forma Financial Statements of the Contractor

The Offeror shall provide pro forma financial statements, including cash flow statement, balance sheet, and profit and loss statement in nominal U.S. dollars. The financial statements should include as revenue the payments made to the Contractor.

2.3. Output A-3 – Forecast Sources

The Offeror shall present the forecast sources of funds for the requirements set forth in the Contract, including payments made to the Contractor and any sources of funds from potential financing as required by the Contractor. The forecast sources of funds shall be presented in nominal U.S. dollars.

If financing is required by the Contractor, the forecast sources of funds shall indicate the proposed sources of financing, including senior debt, subordinated debt, and equity contributions. The forecast sources of funds shall indicate the amount of funds, the timing of anticipated drawdowns, and any capitalization of interest.

2.4. Output A-4 – Forecast Uses

The Offeror shall present the forecast uses of funds for the requirements set forth in the Contract in detail consistent with the Input B-2 of Cost Model. The forecast uses of funds shall provide details on costs associated with financing, including the funding of reserve accounts and other covenants. The forecast uses of funds shall be presented in nominal U.S. dollars.

2.5. Output A-5 – Forecast of Key Financial Ratios and Covenants

The Offeror shall present the forecast of key financial ratios, including, but not limited to, project internal rate of return (IRR), equity IRR, net operating margin, and net profit margin.

If the Offeror anticipates the use of financing, the Offeror shall provide key debt and interest coverage ratios and ratios related to anticipated financial covenants.

3. Cost Model Inputs and Assumptions

The Cost Model submitted by the Offeror shall include, at a minimum, the following inputs:

- a. Input B-1: Delivery and Acceptance Schedule
- b. Input B-2: Cost Component Detail
- c. Input B-3: Escalation Information
- d. Input B-4: Financing Assumptions

3.1. Input B-1 – Delivery and Acceptance Schedule

The Offeror shall provide the schedule for the delivery and acceptance of the products and services to be provided under Contract.

3.2. Input B-2 – Cost Component Detail

The Offeror shall provide detailed cost information that is used to build up the Price Proposal. The level of detail shall include the costs of major components, sub-components, and labor at a level appropriate for the Authority to understand how the Price Proposal is derived. Costs shall be provided in U.S. dollars as of the Close Date without escalation and also in nominal U.S. dollars with Base Case escalation.

At minimum, the Offeror shall provide in the Cost Component Detail (including major components, sub-components, and labor) for:

- a. Authority Trainsets;
- b. Authority prototypes;
- c. Capital spares;
- d. Consumables;
- e. Spare parts.

3.3. Input B-3 – Escalation Information

The Offeror shall reflect the escalation mechanism in Schedule 4 to the Authority Contract General Provisions. Further detail on the indices can be found in Section D and the instructions for Base Case escalation can be found in Section E.

Input B-3 shall include the indices and weighting as set forth in Schedule 4 to the Authority Contract General Provisions.

3.4. Input B-4 – Financing Assumptions

If the Offeror chooses or requires short-term financing as part of their cost structure, the Offeror shall provide details of the components of financing, including, but not limited to, senior debt, subordinated debt, and equity. The Offeror shall provide financing assumptions, including, but not limited to, interest rates, equity IRR, reserve requirement requirements, and financial covenants.

The Offeror shall provide costs for the security and bonding requirements as set forth in the Authority Contract.

4. Sensitivities

[To be added by the Authority through addendum]

Section C. Pre-Proposal Submittal Requirement - Indices

This section provides the instructions for the Pre-Proposal Submittal Requirement for escalation for Schedule 4 to the Authority Contract General Provisions.

1. Escalation of the Price Proposal

The escalation adjustment mechanism for the Price Proposal is set forth in Schedule 4 to the Authority Contract General Provisions.

As part of the Pre-Proposal Submittal Requirements as set forth in Section 12 of the Instructions to Offerors, the Offeror shall propose up to three (3) indices for the indexation adjustment for i) the Fleet 1 Milestone Contract Amount, Fleet 2 Milestone Contract Amount, Fleet 3 Milestone Contract Amount, Fleet 4 Milestone Contract Amount, and Manufacturing Restart Payment prior to the Pre-Proposal Submittal Due Date; and up to three (3) indices for the indexation adjustment for ii) the Service Payment, Trainset Incremental Service Payment, and Mileage Incremental Service prior to the Pre-Proposal Submittal Due Date.

The Offeror shall:

- f. Select up to 3 indices. Each of these indices should have a minimum available history of 10 years and reflect escalation of prices related to metals, equipment, and labor costs of the Offeror's proposal.
- g. The Offeror shall calculate the compound annual change of each index proposed over the most recent 10-year period. The Offeror shall calculate the year-over-year change of each index over the most recent 10-year period.

The Authority will consider the indices proposed by all of the Offerors and in its sole discretion will determine the indices that shall be used in Schedule 4 to the Authority Contract General Provisions and also for the Base Case escalation for the Evaluation Process. The determination shall be issued by the Authority through an addendum no later than 30 days prior to the Proposal Due Date.

Section D. Whole Life Cost Model

The Offeror shall complete Form D-1 through Form D-10 to determine the Authority Whole Life Cost (see Exhibit H of the Instructions to Offerors) that will be used for Evaluation Stage 4. The amounts and payments specified in this section shall only be for evaluation purposes and not entered into the Contract.

Offeror shall input the required inputs into the blue cells in the Authority Whole Life Cost Model; the grey and clear cells shall not be edited or changed. This section provides the instructions to complete Form D-1 through Form D-10.

1. NPV Calculation for Evaluation Stage 4

The Authority Whole Life Cost for Evaluation Stage 4 will be based on net present value and shall be the sum of the following:

- a. NPV of the Fleet 1 Milestone Payments
- b. NPV of the Design, Mock-Ups, and Prototype Costs
- c. NPV of Service Payments
- d. NPV of Fleet 2, Fleet 3, and Fleet 4 Milestone Payments
- e. NPV of Manufacturing Restart Payment
- f. NPV of the Trainset Incremental Service Payment options
- g. NPV of the Milestone Incremental Service Payment options
- h. NPV of Maintenance Labor Costs
- i. NPV of Track Maintenance Adjustment
- j. NPV of Energy Costs
- k. NPV of Seat Revenue Adjustment

The Authority Whole Life Cost shall be equal to Item K on the Whole Life Cost sheet of the Authority Whole Life Cost Model. The Authority Whole Life Cost will be used in Evaluation Stage 4 to determine the Authority Financial Score.

1.1. NPV of Milestone Payments

The Offeror shall input the Milestone Payments for Fleet 1 that shall be made to the Contractor on a monthly basis into Form D-1.

The Offeror shall calculate the Milestone Payments for the Authority Whole Life Cost Model by escalating the Milestone Contract Amount into nominal U.S. dollars with Base Case escalation and multiply the escalated amount by the Milestone Percentages as set forth in Schedule 3-A. The instructions for escalation into nominal U.S. dollars for evaluation purposes are provided in Section E.

1.2. NPV of Authority Design, Mock-Ups, and Prototype Costs

The Offeror shall input the Design, Mock-Ups, and Prototype costs from Form A-1 into Form D-2.

The Offeror shall assume that these payments will be made as a single payment on January 1, 2015.

1.3. NPV of Fleet 2, Fleet 3, and Fleet 4 Milestone Payments

The Offeror shall input the Fleet 2 Milestone Payments, Fleet 3 Milestone Payments, and Fleet 4 Milestone Payments that shall be made to the Contractor on a monthly basis into Form D-3.

The Offeror shall assume that the Owner orders one (1) Trainsets from each Fleet. The Offeror shall assume that the Owner issues NTP for Fleet 2, Fleet 3, and Fleet 4 on June 30, 2023 and that the Price Adjust Date for each Fleet is January 31, 2023.

The Offeror shall calculate the Milestone Payments of each of the Fleets 2, 3, and 4 for the Authority Whole Life Cost Model by multiplying the respective unit prices of each Fleet by one (1) Trainset to calculate the Fleet 2 Milestone Contract Amount, Fleet 3 Milestone Contract Amount, and Fleet 4 Milestone Contract Amount. The Offeror shall escalate the respective Milestone Contract Amounts into nominal U.S. dollars with Base Case escalation and multiply the escalated amount by the Milestone Percentages as set forth in Schedule 3-B. The instructions for escalation into nominal U.S. dollars for evaluation purposes are provided in Section E.

1.4. NPV of Service Payments

The Offeror shall input the Service Payment on a monthly basis that shall be made to the Contractor into Form D-4 over the Trainset Service Period.

The Offeror shall calculate the Service Payment for the Authority Whole Life Cost Model by escalating the Service Payment into nominal U.S. dollars with Base Case escalation. The instructions for escalation into nominal U.S. dollars for evaluation purposes are provided in Section E.

1.5. NPV of Manufacturing Restart Payment

The Offeror shall input the Manufacturing Restart Payment that shall be made to the Contractor into Form D-5. The Offeror shall assume that the Price Adjust Date for the Manufacturing Restart Date is January 31, 2023 and the Offeror is entitled to the Manufacturing Restart Payment on that date.

The Offeror shall calculate the Manufacturing Restart Payment for the Authority Whole Life Cost Model in nominal U.S. dollars with Base Case escalation. The instructions for escalation into nominal U.S. dollars for evaluation purposes are provided in Section E.

1.6. NPV of Service Payment Options

The Offeror shall input the Trainset Incremental Service Payment and Mileage Incremental Service Payment on a monthly basis into Form D-6.

The Offeror shall assume that the Owner orders one (1) Trainset each from Fleet 2, Fleet 3, and Fleet 4 and each Trainset achieves Final Acceptance on June 30, 2024. The Offeror shall assume that the Fleet travels 5% more than the Baseline Fleet Mileage on a monthly basis starting on July 1, 2024 for the remainder of the Trainset Service Period.

The Offeror shall calculate the Trainset Incremental Service Payment and Mileage Incremental Service Payment for the Authority Whole Life Cost Model by escalating these payments into nominal U.S. dollars with Base Case escalation. The instructions for escalation into nominal U.S. dollars for evaluation purposes are provided in Section E.

1.7. NPV of Maintenance Labor Costs

The Offeror shall input the required monthly hours of maintenance labor into Form D-7. The required hours of maintenance labor shall be consistent with the Maintenance Plan provided by the Offeror in the Technical Proposal.

The required monthly hours for maintenance labor shall be multiplied by the cost per hour in Form D-7 to calculate the monthly cost for maintenance labor for the Trainset Service Period.

1.8. NPV of Track Maintenance Adjustment

The Offeror shall input the Actual Axle Loading and the Actual Unsprung Axle Mass in tonnes of the Trainsets into Form D-8. The loading of the Trainsets shall be consistent with the Technical Proposal provided by the Offeror.

The formula to calculate the monthly Track Maintenance Adjustment is:

$$\text{Monthly Track Maintenance Adjustment} = - [(17 - \text{Actual Axle Loading}) + (10 * (2.3 - \text{Actual Unsprung Axle Mass}))] * 0.1 * (\text{Annual Track Maintenance Cost} / 12)$$

1.9. NPV of Energy Costs

The Offeror shall input the Gross Energy Usage per mile and Gross Energy Regenerated per mile (in kWh per mile) into Form D-9.

The Monthly Net Energy Cost shall be based on the Gross Energy Usage per mile, Gross Energy Regenerated per mile, monthly Baseline Fleet Mileage, and the cost per kWh. The monthly Baseline Fleet Mileage and the cost per kWh are provided in Form D-9. The Gross Energy Usage per mile and Gross Energy Regenerated per fleet-mile shall be consistent with the Offeror's Technical Proposal.

The formula to calculate the Monthly Net Energy Cost is:

$$\text{Monthly Net Energy Cost} = [(\text{Gross Energy Usage per mile} * \text{Monthly Baseline Fleet Mileage}) - (\text{Gross Energy Regenerated per mile} * \text{Monthly Baseline Fleet Mileage})] * \text{Cost per kWh}$$

1.10. NPV of Seat Revenue Adjustment

The Offeror shall input the Actual Passenger Seats per Trainset into Form D-10. The Authority Whole Life Cost shall be adjusted to reflect the estimated cost per seat less than 450 seats per Trainset.

The formula to calculate the monthly Seat Revenue Adjustment is:

$$\text{Monthly Seat Revenue Adjustment} = - (450 - \text{Actual Passenger Seats per Trainset}) * (\text{Annual Cost per Seat} / 12) * \text{Number of Fleet 1 Trainsets}$$

Section E. Base Case Escalation for Evaluation Purposes

The Offeror escalate the Price Proposal to nominal U.S. dollars using Base Case escalation for evaluation purposes in the Whole Life Cost Model. The Base Case escalation shall be based on the formulas set forth in Schedule 4 to the Authority Contract General Provisions.

The indices and annual escalation factors to calculate the Base Case escalation shall be provided by the Authority through an addendum no later than 30 days prior to the Proposal Due Date.

Section F. Financial Plan

Financial Plan Summary

The Bidder shall provide a 15-page Financial Plan outlining the financial and commercial structure that shall be in place to deliver the Trainsets. The Memorandum shall provide an overview of the major participants and their role to deliver the Contract. Major participants may include, but are not limited to, debt and equity providers, major subcontractors, and parent companies.

Financial Institutions

The Financial Proposal shall identify the financial institution(s) that will provide any letter of credit required under the Authority Contract and its rating information. For the avoidance of doubt, this includes, without limitation, payment and performance security and letter(s) of credit provided by the Contractor pursuant to the Authority Contract. Offeror must provide a statement certified by the chief financial officer or treasurer of the Proposer that it will be able to obtain all required letters of credit.

Financing Sources

While the Offeror is not required to arrange or bring financing to deliver the project, should the Offeror intend to use financing to deliver the project, then the Offeror shall describe their plan for financing the project including:

- a. Identity of the lenders or investors anticipated to be used;
- b. Amounts, types and purpose of each financing facility to be used;
- c. Letters of commitment from the anticipated lenders and/or investors;
- d. Term sheets for each facility stating the costs, terms, and other assumptions used to calculate financing costs and amounts; and
- e. The proposed steps for arranging and closing financing.

Financing Statistics

Should the Offeror intend to use financing to deliver the project, then the Offeror shall provide a summary of financial results in the Cost Model. The summary shall include:

- a. Total Sources and Uses for Construction
- b. Total Sources and Uses for Operations
- c. Drawdown, repayment, and distribution profiles for debt and equity, if applicable
- d. Key financial metrics, including:
 - i) Minimum and average senior debt service coverage ratio
 - ii) Minimum and average global debt service coverage ratio
 - iii) Minimum and average project loan coverage ratio
 - iv) Minimum and average loan life coverage ratio
 - v) Average loan life of senior debt
 - vi) Average loan life of junior or subordinated debt
 - vii) Project IRR (nominal and real)
 - viii) Equity payback period from Financial Close

If the Offeror proposes to create a Special Purpose Company (“SPC”) to be the counterparty to the Contract, the Offeror shall provide of the SPC, including:

- a) Equity Agreements
- b) Parent Guarantees

The Offeror shall provide details of plan to mitigate financial and commercial risks over the life of the project, which may include addressing escalation risk, foreign currency risk, short-term cash management, and financing risks.

Alternative Financial Approach

The Contractor will be a key private sector partner for the California High-Speed Rail Project. The Authority is seeking a contractor that will provide rolling stock, assist with technical input related to future project development options, and share development risks and costs as the market matures. As such, the Authority is seeking proposals and indications of interest for private sector investment in the project. Private investment or contributions may be in the form of debt, equity, or other forms of “sweat-equity” that may include plant investments and other contributions to be provided by the Contractor. For example, the Authority would like to understand the appetite for investment in rolling stock by export-credit agencies, sovereign wealth funds, or other national or sub-national investment vehicles.

Alternative Financial Concepts proposed by the Contractor shall provide details on possible private investment scenarios and present potential implementation plans to secure investments. The Alternative Financial Concepts are not binding and will not be evaluated. However, the Authority may use proposals to seek investment in partnership with the Contractor.