

# SAUDI RAILWAYS ORGANIZATION (SRO)



المؤسسة العامة للخطوط الحديدية  
SAUDI RAILWAYS ORGANIZATION

## EXPRESSION of INTEREST

FOR

**Maintenance of Locomotives, Freight Cars, Passenger Coaches  
And  
Associated Workshop Facilities**

January, 2012  
Dammam, Kingdom of Saudi Arabia

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**Saudi Railways Organization assures all invited rolling stock maintenance providers that their submitted Expressions of Interest and proposals will be kept CONFIDENTIAL.**

## **1. INSTRUCTIONS TO ROLLING STOCK MAINTENANCE SERVICE PROVIDER**

- The Expression of Interest must include all of the elements described in this invitation to be considered as a complete response.
- All the documents must be duly provided; the information must be accurate, up to date and as requested.
- Clarity and legibility are expected.
- Maintenance Service providers are requested to complete their response in the same order as this invitation.
- All submitted information must be in the English language. Text in Arabic language may be presented in addition to the English.
- All information pertaining to the Expression of Interest and other pertinent documents are to be returned, in two (2) paper copies and one (1) soft copy (CD type), to Saudi Railways Organization in a clearly marked envelope "Expression of Interest for rolling stock maintenance services for Saudi Railways Organization". The Expression of Interest document shall be submitted to Saudi Railways Organization at :

Saudi Railways Organization  
Attention: Eng. Abdullah S. Balhaddad  
General Manager Maintenance  
P.O. Box 36,  
Dammam, 31241  
Kingdom of Saudi Arabia  
Tel 966-3-871-3239

- The Expression of Interest documents must be received at the latest by 13:00 hrs local time on March 28<sup>th</sup>, 2012.
- Inquiries regarding this Expression of Interest may be directed to :

[SRO-RS@CANARAIL.COM](mailto:SRO-RS@CANARAIL.COM)

Maintenance service providers are encouraged to present their submissions as early as possible. Late submissions will be rejected regardless of circumstances. If Saudi Railways Organization elects to extend the closing date, then all potential providers who have requested copies of this Expression of Interest document will be advised in writing.

## **2. INTRODUCTION TO SAUDI RAILWAYS ORGANIZATION**

Saudi Railways Organization was created by the Government of Saudi Arabia to provide an intercity passenger transportation rail service from Dammam on the east coast of the Kingdom to Riyadh, its capital.

Today, the Saudi Railways Organization provides passenger service as well freight traffic movement between the two mentioned cities.

As the Saudi Railways Organization heads into the future, it is expanding its operations, maintaining ridership, customer loyalty and carrying a freight traffic. SRO constantly renews its rolling stock fleet, creates innovative ideas to attract business travellers and passengers as well as cargo traffic within the kingdom.

Currently, there are major railway programs underway in the Kingdom of Saudi Arabia and these can be viewed in the SRO web-site [www.Saudirailways.org](http://www.Saudirailways.org).

The daily number of passengers could reach 5,000 and the approximate annual number of passengers transported by SRO reaches 1.3 Million and is expected to grow.

350,000 container movements were achieved between Dammam and Riyadh and this is expected to double in the future.

Currently, SRO employs approximately 1,800 persons of which approximately 440 are assigned for rolling stock maintenance.

There is an excellent energy for innovation and problem solving at Saudi Railways Organization. The status quo is continuously being challenged and the Saudi Railways Organization is always attempting to improve the company's performance through better service and safety enhancements.

## **3. EXPECTATIONS FROM THE ROLLING STOCK MAINTENANCE CONTRACT**

The Saudi Railways Organization intends to fully outsource the complete maintenance of its locomotives, freight cars and coaches to a well qualified maintenance services provider. Basically, the maintenance service provider will take over the rolling stock maintenance function by managing the workshops, its personnel, provision of spare parts, technical and supervisory management, the labour force as well as 'light' or regular maintenance of the workshop facilities and their machinery. SRO will continue to carry its responsibilities for the signalling systems, building superstructure and train driver between cities

Saudi Railways Organization invites the rolling stock maintenance services providers to express their interest in this unique opportunity, be creative and innovative in their approach and methods for the maintenance of its rolling stock.

The basic goal of the new rolling stock maintenance services provider should be to improve the reliability and availability of the equipment. This can be achieved, but not limited to, by improved quality of workmanship, planning, training of personnel, procurement of highest quality spare parts, etc...Better environmental control and safety of operations is an integral part of this maintenance transfer project.

The interested rolling stock maintenance services provider should clearly indicate and attempt to clarify the benefits of its services to SRO. The Saudi Railways Organization will assess each Expression of Interest along the criteria developed in the following section. Responders are encouraged to seek out ways to engage local firms as much as possible.

**4. EXPRESSION OF INTEREST CRITERIA**

Saudi Railways Organization will review each Expression of Interest submission and the evaluation of the rolling stock maintenance services provider will be based upon the criteria developed in the following table and which are further detailed below.

<b>ITEM</b>	<b>DESCRIPTION</b>	<b>EVALUATION</b>
<b>4.1</b>	Corporate Structure, Experience and Qualifications	35 %
<b>4.2</b>	Financial Resources	10 %
<b>4.3</b>	Management's Maintenance Philosophy	10 %
<b>4.4</b>	Human Resources	10 %
<b>4.5</b>	Subcontractors	15 %
<b>4.6</b>	Comprehension of Rules and Regulation pertaining to UIC and AAR rail equipment maintenance and operations	5 %
<b>4.7</b>	Creativity and General Evaluation	10 %
<b>4.8</b>	Quality Assurance	5%

All the submitted documents must be clear, presented in a concise format and which directly address the items of the Expression of Interest criteria, described below.

**4.1 CORPORATE STRUCTURE, EXPERIENCE AND QUALIFICATIONS:**

Companies may join forces in the form of consortium or joint venture or other partnerships to provide the requested services. At this stage, a letter or a Memorandum of Understanding signed by the representative of each company indicating their intention to join forces will suffice. Formalization of legalized entities can be performed during the tender period.

The rolling stock maintenance services provider shall supply to the Saudi Railways Organization all necessary information and clearly explain its present corporate

structure, how it intends to join forces with others, if applicable, past and present rolling stock maintenance services contracts for freight and/or passenger railways, contract durations and overall achievements, including safety records.

Any other applicable information and specific to rolling stock maintenance to support the company's ability to meet SRO's expectations can be added as supporting data or information.

#### **4.2 FINANCIAL RESOURCES:**

The rolling stock maintenance services provider should supply information to Saudi Railways Organization as to its financial viability, resources and its publicly available financial statements for past three years (2008, 2009 and 2010).

For privately owned companies, which are unable to provide their financial statements, a letter signed by the chief financial officer or equivalent position that the company is in good financial standing and capable of managing the SRO rolling stock maintenance contract and that it accepts to share its audited financial statements during contract negotiations, if selected as the successful bidder, will suffice, at this stage.

#### **4.3 MANAGEMENT'S MAINTENANCE PHILOSOPHY:**

The provider of the rolling stock maintenance services should demonstrate to the Saudi Railways Organization its comprehension of the complexities of a passenger and freight rail service and environment. It shall explain its approach to interaction with the operations/transportation, problem solving, performance improvements, customer satisfaction, innovations, safety, service and efficiency improvements, which are considered to be key elements for the success of the transfer of this service.

##### **4.3.1 TECHNICAL**

The provider of the rolling stock maintenance services must indicate in its document that it will comply with the Original Equipment Manufacturers' (OEM) maintenance requirements and/or exceed them based on past projects and experience by providing supporting examples.

The key and basic maintenance requirements will include, but not limited to:-

- Daily, trip or turn around inspections;
- Scheduled, planned or preventive maintenance visits;
- Unscheduled visits;
- Major and minor overhauls;
- Accident repairs;

- Equipment on-line failure support;
- Provision of high quality spare parts;
- Workshop facilities' 'light' maintenance and their machinery.

#### **4.4 HUMAN RESOURCES:**

The maintenance service provider shall indicate in its Expression of interest how it will ensure that its personnel possess the proper qualifications. It shall provide the names and experience, in resume format, of its key personnel, such as General Manager, key technical staff, etc..

The Saudi Railways Organization will request in the upcoming tender that the maintenance services provider must take on, as a minimum, 70 % of its current workforce.

In this section, the maintenance service provider can present its training plan as well as safety of its operations.

#### **4.5 SUBCONTRACTORS:**

The Saudi Railways Organization recognizes the complicity of rolling stock maintenance and therefore the need to involve local and/or international sub-contractors.

In this section, the name(s) of subcontractor(s) can be presented along with their qualifications and experience and the functions/services which they will provide. Examples of past and/or current similar contracts shall be added as supporting information.

The main rolling stock maintenance services provider will be solely responsible for the whole contract and the subcontractor(s). Saudi Railways Organization reserves, at its sole discretion, the right to reject any subcontractor proposed, if determined to be not suitable.

#### **4.6 RULES AND REGULATIONS:**

Saudi Railways Organization is a member of the UIC and participates in the Association of American Railways (AAR) and it operates within a regulated environment of the Kingdom of Saudi Arabia. The provider of the rolling stock maintenance services must demonstrate to Saudi Railways Organization its understanding of the local rules, compliance with UIC and AAR regulations, etc...

#### **4.7 CREATIVITY AND GENERAL EVALUATION:**

Saudi Railways Organization will consider the creativity, overall quality and responsiveness of the submission in terms of content, completion of information and presentation.

The creativity will be demonstrated in the rolling stock maintenance services provider's ability to generate new ideas, methods and ways of maintaining Saudi Railways Organization equipment. This could be in terms of its structure, the maintenance concepts, minimization of equipment failures as well as cost reductions or other applicable ideas to various types and models of rolling stock.

The general evaluation will also consider the potential service provider's commitment to high-quality and cost effective service, commitment to safety, innovation, provision of a skilled management team and reliable workforce, customer service and overall satisfaction are key elements for the evaluation.

#### **4.8 QUALITY ASSURANCE**

The provider of rolling stock maintenance services must have an ISO certification or be in the process of obtaining the certification or be able to demonstrate an equivalent internal quality assurance program is currently in place.

## **5. INSURANCE AND BONDS**

All companies which pass the Expression of Interest requirements stage will be invited to participate in the upcoming tender.

The upcoming tender will request that a bid bond equal to 2 % of the maintenance contract value.

The successful bidder will be requested to submit a performance bond equal 10 % of the total contract and this amount will be reduced annually and proportionally with the time advancement of the contract.

The successful bidder must have a company registration and comply with local rules in the Kingdom of Saudi Arabia.

Similarly, the successful bidder will have to carry an insurance policy to cover against its liabilities during the execution period of the contract.

Interested bidders must be aware of the above requirements, if they intend to pursue this project with the Saudi Railways Organization.

## 6. APPENDIX 1 – ROLLING STOCK

Rolling Stock Type	Quantity
Locomotives (mostly GM-EMD)	51
Freight Cars (misc. Types, including double stacks - AAR)	2,293
Passenger Coaches (various classes)	75
Locomotives Cranes	2

## 7. APPENDIX 2 - WORKSHOPS:

Locomotive running shop, overhaul shop, several machine shops, wheel and bearing shop, traction motor and generator repair shop, welding and pipefitter and misc support sections.

## 8. APPENDIX 3 - MANPOWER

Management	2 engineers
Engineers	16
Workshop Supervisors	6 (4 of them engineers)
Mechanics, Carmen, , etc...)	192
Electricians	81
Pipefitters	10
Carpenters	13
Machining	45
Welders, body repair	39
Car drivers ,Crane drivers	10

Labourers, cleaner	84 Contractor
Clerical	19
Foreign Consultants	1
<b>TOTAL</b>	<b>518</b>

## 9. APPENDIX 4 – SRO TRAIN SCHEDULE

The following is the latest SRO train schedule:-

### Trips Schedules

Trains No.	Daily Schedule			Arrival time - Riyadh
	Dammam	Abqiq	Hufuf	
1	05:22	06:12	07:00	09:58
3	09:32	10:22	11:20	14:28
5	12:32	13:22	14:10	17:18
7	15:22	16:12	17:00	20:08
9	19:28	20:28	21:16	00:14

Trains No.	Daily Schedule			Arrival time - Dammam
	Riyadh	Hufuf	Boqiq	
2	07:11	10:26	11:10	11:57
4	10:12	13:17	14:11	14:58
6	12:50	16:05	16:59	17:46
8	16:20	19:35	20:19	21:06
10	20:38	23:53	00:37	01:24