



CRRC SIFANG AMERICA INCORPORATED

## COMPETITIVE MARKETPLACE

CRRC Sifang America's (CRRC) presence in the transit market ensures a competitive environment and a fair and strong marketplace. With limited railcar manufacturers across the globe and no railcar manufacturer in the U.S. CRRC plays a valuable role in the U.S. transportation marketplace.

### Case Study: How CRRC Saved Chicago Transit Authority \$228 Million

CRRC Sifang America and Bombardier submitted proposals for the Chicago Transit Authority (CTA) 7000 Series project. CRRC participated in an extensive and transparent bidding process by the CTA, which thoroughly examined a multitude of requirements that ultimately led to the selection of CRRC to build the 7000 Series railcars. Understanding the exhaustive process CTA implemented to ensure the selection of the best qualified manufacturer further demonstrates CRRC's winning bid was well within a competitive range compared to the other bidders.

### The following is a high-level explanation of CTA's bid process to select the company to build the new 7000 Series railcars.

#### Initial Bid

In 2013, CTA invited bids for the 7000 Series railcars. Two companies submitted bids with the following cost per railcar:

- **Bombardier - \$1.64 million/railcar**
- **Sumitomo Corporation of America - \$1.83 million/railcar**

Because only two bids were received, CTA rejected the bids in May, 2014 and cancelled the invitation for bids.

#### Final Bid

In an effort to increase competition and attract additional bidders, CTA issued an RFP in October, 2014 for the 7000 Series railcars. The RFP resulted in two responses. Bombardier responded once again and CSR Sifang America (now CRRC Sifang America).

The pricing by the two companies came in as follows:

- **Bombardier - \$1.82 million/railcar**  
Cost increased per car by 10%, but just underbid the previous competitive bidder by less than 1%
- **CSR Sifang America - \$1.55 million/car**

The pricing submitted to CTA, CRRC pricing was **five percent lower** than Bombardier's original submission in 2013.

**Without CRRC's participation in the bidding process, CTA may have spent \$228 million more dollars on the same project.**