



CALIFORNIA High-Speed Rail Authority

California High-Speed Rail BRIEFING: November 2, 2023, Board Meeting Agenda Item #4

TO: Chairman Richards and Board Members

FROM: Bruce W. Armistead, Chief of Rail and Operations Delivery

DATE: November 2, 2023

RE: Consider Providing Approval to Release a Request for Qualifications for a Contract to Provide Design Services for Track and Overhead Contact Systems

Summary

Staff is recommending that the Board approve issuance of a Request for Qualifications (RFQ) for a contract to provide Track and Overhead Contact Systems Design Services (OCS) for an initial contract value up to \$131.2 million. If approved, staff will issue an Architectural & Engineering (A&E) procurement seeking to contract for services to complete the Design Principles stage for the track and OCS systems for the 171-mile Central Valley Early Operating Segment (EOS), the Detailed Design stage for the 119-mile First Construction Section (FCS), and to provide construction support services for the FCS.

The RFQ will qualify offerors to complete the design work through Notice to Proceed 1 (NTP 1) and provides for two additional extension options at the Authority's sole discretion to complete the Detailed Design stage and to provide construction support services for the M-M project section (NTP 2) and the LGA project section (NTP 3). The procurement will also qualify offerors for the extension options that would potentially increase the contract total to a not-to-exceed amount of \$161 million.

Prior to exercising either of the extension options, Authority staff will request and obtain Board approval. Offerors will be qualified to perform the entire scope of work during the RFQ process.

Background

The California High-Speed Rail Authority (Authority) is responsible for planning, designing, building, and operating the first high-speed rail system in the nation, linking California's major population centers. The Authority aims to complete construction and begin train and systems testing on the first 119-mile project segment between Madera and Poplar Avenue north of Bakersfield (the First Construction Section, or FCS) by the end of 2028 and begin revenue operations between 2030 and 2033 on the 171-mile project segment between Merced, Fresno, and Bakersfield (the Early Operating Segment, or EOS). The initial 119-mile FCS is a crucial part of these goals, as it will be the test track. The track, traction power, overhead contact system (OCS),

signaling, communications, and trains must all be tested extensively to achieve certification from the Federal Railroad Administration.

In July 2019, the Authority released a Request for Qualifications for the procurement of track and systems for the 119-mile Central Valley Segment, or FCS.

In October 2022, after careful consideration and given the economic climate, supply-chain challenges, and 40-year high inflation, the Authority determined it was not in the State's best interest to extend the time for the Track and Systems procurement and opted to let it expire so that the procurement approach could be restructured to better respond to market conditions.

Since October 2022, Authority staff has worked internally to develop a new procurement strategy to move this complex work forward. In July 2023, the Board received an update on this work. The new approach to delivering the program's next phase of work incorporates lessons learned and is tailored to align with the post-Covid economic climate and industry trends. The large amount of complex scope has been appropriately separated into smaller, more flexible contracts that will best position the Authority to complete its 119-mile test track and achieve a certified, electrified high-speed rail segment from Merced to Bakersfield.

Getting track and OCS design services under contract in 2024 is a critical step in this new procurement strategy and for receiving certification from the Federal Railroad Administration.

Prior Board Action

Previously, the Board approved the release of a Request for Qualifications for Track and Systems on July 16, 2019 (#HSRA 19-04), and the release of a Request for Proposals to shortlisted firms on December 10, 2019 (#HSRA 19-11).

In adopting the 2022 Business Plan and accepting the 2023 Project Update Report, the Board chose to move forward with a business model that includes the procurement of track, systems, and trainsets with sufficient time to achieve the delivery timeline within the American Recovery and Reinvestment Act (ARRA) and other grant agreements with the federal government.

Discussion

Track and OCS design is on the critical path for the Authority to meet its commitments to the Federal Railroad Administration per its federal grants. This requires the Authority to begin testing of the track and systems in 2028. The selection of a track and OCS design services consultant is critical to the development of design criteria to ensure correct and complete integration of the trainsets with the track and systems. To meet these goals, track and OCS design services must be under contract in 2024. The track and OCS designer will work closely with the Authority, the contractor selected to construct the track and OCS, and other interfacing contractors including the trainsets manufacturer and systems contractor. The Authority also plans to bring on construction management consultants, an independent cost estimator, independent safety assessor, and an integration consultant to support the program in reaching certification for the EOS.

Authority staff seeks approval to issue an RFQ for procurement of Track and OCS Design Services. The draft RFQ, including a sample agreement and the entire draft Scope of Work, is publicly available on the

California State Contracts Register here: www.caleprocure.ca.gov/event/2665/HSR23-32. A summary of the main areas for the Scope of Work is provided below.

Scope of Work

The main areas for the Scope of Work, to be staged with multiple Notices to Proceed, are as follows:

- Preparation of the design and design support during construction of the Authority's track system, sub-ballast layer, OCS, along-track cable containment, across-track ducts, access walkways, fencing, and drainage for the 171-mile EOS from Merced to Bakersfield.
- Production of high-level designs for track and OCS elements that cover the EOS, including track and OCS inside the maintenance of way facilities, maintenance of way sidings, Trainset Certification Facility, and light/heavy maintenance facilities.
- Production of detailed designs of the track system, including the sub-ballast layer, OCS, along-track cable containment, across-track ducts, access walkways, fencing, and drainage for the 119-mile FCS.
- Collaborate with Authority and the track and OCS construction contractor, trainsets supplier, and the systems designer and constructor to ensure optimal design and operability of technical interfaces.
- Managing technical and non-technical interfaces with Interfacing Contractors such as the civil design consultants, civil construction contractors, future track and OCS construction contractor, Systems contractor, facilities and station design consultants, facilities and station construction contractors, trainsets contractor, independent cost estimator consultant, independent safety assessor consultant, and the integration support consultant, following the Authority Program Integration Management Requirements.
- Include provision requiring all designs to accommodate for the future expansion of the System towards San Francisco, Los Angeles, and Sacramento without substantial re-work and minimal impact on the operational infrastructure.

The Authority plans to release the work in accordance with the following Notices to Proceed (NTPs):

- **NTP 1:** The first Notice to Proceed will include the initial deliverables (various plans and schedules), completion of the Design Principles stage for the track and OCS systems for the EOS, completion of the Detailed Design stage for the FCS, and construction support services for the FCS. NTP 1 will take five years and two months to complete.
- **NTP 2:** The second Notice to Proceed will include the completion of the Detailed Design stage and construction support services for the M-M project section. NTP 2 will take approximately four years to complete. The Authority anticipates issuing this NTP prior to completion of NTP 1.
- **NTP 3:** The third Notice to Proceed will include the completion of the Detailed Design stage and construction support services for the LGA project section. NTP 3 will take approximately four years to complete. The Authority anticipates issuing this NTP prior to completion of NTP 1.

Small Business Requirements

As provided in the draft RFQ, this contract is subject to Small Business (SB), Disabled Veteran Business Enterprise (DVBE) and Disadvantaged Business Entity (DBE) participation goals in compliance with state and

federal law. The agreement between the Authority and the consultant will include the Authority’s current Small and Disadvantaged Business Program goals.

Contract Term and Budget

The term of the Track and OCS Design contract will be 6-years and 8-months and the not-to-exceed amount of the contract will be \$131.2 million for NTP 1.

Procurement Process

The solicitation will use the architectural and engineering contracting method where statements of qualifications (SOQs) are submitted and selection is based on qualifications. Costs are not a factor in the selection, but fair and reasonable fees and costs will be negotiated with the top-ranked offeror prior to executing a contract. The solicitation process will be governed by Government Code section 4525 et seq., the Authority’s A&E regulations (Cal. Code Regs., Title 21, § 10000 et seq.), and the Board’s RFQ policy.

Procurement Schedule

The anticipated schedule for this procurement is as follows:

Activity	Date
RFQ advertised on Cal eProcure	November 3, 2023
Virtual Pre-Bid Conference and Small Business Informational Workshop	November 15, 2023
SOQs due	January 22, 2024
Anticipated Notice of Proposed Award Released	February 16, 2024
Board Meeting for approval	April 2024
Contract Execution and Issuance of NTP 1	April 2024
NTP 2 Issued	TBD
NTP 3 Issued	TBD

Procurement Evaluation Criteria

The RFQ process will be managed by the Authority staff. SOQs submitted by Offerors will be reviewed to ensure that all requisite qualifications and other RFQ requirements are met.

The SOQs will be evaluated and scored by an Evaluation Selection Committee pursuant to established criteria in the RFQ, which will include the following:

1. PERFORMANCE AND EXPERIENCE

The quality, depth, and relevance of the following items:

- a. Offeror examples of completed projects of similar size, scope, and/or complexity.
- b. Offeror examples of experience performing the Work required for the Project.
- c. Experience performing the Work required for the Project for Subconsultants employing Key Personnel
- d. Offeror examples of applicable cost savings and schedule improvement methodologies utilized on projects of similar scope and complexity.

- e. Offeror demonstration of successful management of design integration with interfacing contractors on projects of similar scope and complexity.
- f. Offeror demonstration of developing and achieving RAMS targets on projects of similar scope and complexity.

2. ORGANIZATION AND KEY PERSONNEL

The extent to which:

- a. The proposed project organization demonstrates a logical and cohesive team with effective communication within its organization and with the Authority.
- b. The initial draft organization and management plan conveys the proper level of response and commitment for the Work.

KEY PERSONNEL AND ROLES

The extent to which:

- c. The Principal-in-Charge has the individual qualifications, professional skills, and sufficient experience to effectively lead and manage the Project.
- d. The qualifications and professional skills of the Key Personnel (except for the Principal-in-Charge, which is evaluated in (c) above) appropriate for the roles assigned.
- e. The past experience of the Key Personnel is sufficient to demonstrate the ability to effectively deliver the Work required for the Project.

3. UNDERSTANDING OF PROJECT ELEMENTS

The extent to which:

- a. The Offeror demonstrates a thorough knowledge of the high-speed rail program.
- b. The Offeror demonstrates an understanding of the Work required for the Project.
- c. The Offeror demonstrates an ability on past projects to deliver on an engineering management plan, program management plan, BIM execution plan, and a detailed design schedule.
- d. The Offeror demonstrates an understanding of how this Work integrates into the California High-Speed Rail Program requirements, including any potential challenges.

4. SMALL BUSINESS PARTICIPATION

The extent to which:

- a. The Offeror provides a clear commitment to meeting the Authority's current Small Business (SB) utilization goal.
- b. The Offeror's SB narrative clearly identifies how the Offeror will utilize SBs to achieve the Authority's current Small Business (SB) utilization goal.

At the conclusion of SOQ evaluations, the Evaluation Selection Committee will rank the Offerors on the basis of their SOQ scores. In accordance with the Board policy related to RFQs, the Authority will invite selected Offerors to participate in discussions with the Evaluation Selection Committee. Discussions will be held with no fewer than the top three most qualified Offerors, unless fewer than three SOQs are received. Discussions will be evaluated and scored by the Evaluation Selection Committee. For each Offeror invited for discussion, the

Evaluation Selection Committee will compute a final score, which is the sum of the Offeror's weighted SOQ score and weighted discussion score. Discussion evaluation criteria and final score computation will be provided in the RFQ and are as follows:

1. PRESENTATION
 - a. Quality and appropriateness of the presentation
 - b. Appropriate speakers relative to Project challenges
 - c. Principal-in-Charge leadership and management of the team

2. KEY PERSONNEL PARTICIPATION
 - a. Principal-in-Charge's understanding of the Project, including challenges and requirements.
 - b. Except for the Principal-in-Charge, which is evaluated in (a) above, Key Personnel's understanding of the Project, including challenges and requirements.
 - c. Key Personnel's knowledge and understanding of the Work in their respective areas of expertise

3. RESPONSIVENESS TO QUESTIONS
 1. Quality and thoroughness of response to question number 1
 2. Quality and thoroughness of response to question number 2
 3. Quality and thoroughness of response to question number 3
 4. Quality and thoroughness of response to question number 4
 5. Quality and thoroughness of response to question number 5
 6. Quality and thoroughness of response to question number 6

At the conclusion of the entire evaluation process, the Offeror with the highest score shall be ranked number one and may be recommended to the Authority's Chief Executive Officer for contract award, and Board approval will be requested before entering into a contract.

Miscellaneous Provisions

ESG: The RFQ contains a pass-fail criteria requirement related to the offeror's environmental, social, and governance (ESG) efforts, which may include any environmental sustainability efforts, socio-economic equity policies, and governance policies, or a report that conforms to certain sustainability frameworks identified in the RFQ. For purposes of this requirement, "socio-economic equity" means making opportunities and benefits available to all applicants, employees, and affected community members regardless of socioeconomic status and decision making that balances the effects of decisions on vulnerable and underserved communities and individuals regardless of income, race, ethnicity, age, gender, or other factors. The social factors of the ESG criteria complies with Article I, Section 31 of the California Constitution, which was added by Proposition 209 in 1996 and prohibits discrimination or "preferential treatment" on the basis of race, sex, color, ethnicity or national origin in public contracting.

Performance: As provided in the draft agreement, a performance-based fee structure range negotiated in the Task Orders shall be between 8% for satisfactory performance to 11% based on excellent performance and other factors.

Organizational Conflict of Interest (OCOI): The RFQ also includes language related to potential organizational conflicts of interest to assist firms in disclosing all work and/or relationships that may arise to a conflict. The organizational conflict disclosure form required from each proposer requires signature under penalty of perjury.

Legal Approval

The Legal Office has reviewed, and this item complies with Authority policy.

Budget and Fiscal Impact

This request is to enter into a new A&E contract with an initial not-to-exceed amount of \$131.2 million to complete the Design Principles stage for the track and OCS systems for the 171-mile Central Valley Early Operating Segment (EOS), the Detailed Design stage for the 119- mile First Construction Section (FCS), and to provide construction support services for the FCS (NTP 1). There is an option to increase this to a total not-to-exceed amount of \$161 million at a later date to complete the Detailed Design stage and to provide construction support services for the M-M project section (NTP 2) and the LGA project section (NTP 3). This request is only for authorization for the initial not-to-exceed amount of \$131.2 million for NTP 1.

If the Authority seeks to exercise the NTP 2 & NTP 3 options to progress to final design for M-M and LGA, staff will return to the Board for approval. The extension options would potentially increase the contract total to a not-to-exceed amount of \$161 million.

Capital Outlay Costs

The funds associated with this request include State and federal sources, including State Cap and Trade funds. Upon approval, allocated budget reserved for this work will be available to the Track and OCS Design Services contract for a not-to-exceed amount up to \$131.2 million.

<u>2023/24 Fiscal Year Budget</u>				
Contract Name	Contract Number	Current FY Contract Budget	Budget Change	Funding Source
TS1	SLPP1301-TS1	\$6,000,000	-\$6,000,000	State and Federal
Design Services Track and OCS	TBD	\$0	\$6,000,000	State and Federal
Total			\$0	

<u>Total Program Budget</u>				
Contract Name	Contract Number/Budget Allocation	Current Total Program Contract	Budget Change	Funding Source
TS1	SLPP1301-TS1	\$131,200,000	-\$131,200,000	State and Federal
Design Services Track and OCS	TBD	\$0	\$131,200,000	State and Federal
Total			\$0	

REVIEWER INFORMATION		SIGNATURE	
Reviewer Name and Title: Brian Annis Chief Financial Officer		Signature verifying budget analysis: Signed 10/23/25	
Reviewer Name and Title: Alicia Fowler Chief Legal Counsel		Signature verifying legal analysis: Signed 10/25/23	

Recommendations

Staff recommends that the Board approve the issuance of the RFQ for Track and OCS Design Services for a contract value not-to-exceed \$131.2 million and authorize staff to make appropriate non-substantive changes to the RFQ as part of the procurement process. Staff will then return to the Board for approval of the award of the contract for these services.

Attachments

- PowerPoint Presentation
- Draft Board Resolution
- Draft RFQ for Track and OCS Design Services