



U.S. Department  
of Transportation  
**Federal Railroad  
Administration**

# Grant/Cooperative Agreement

1. RECIPIENT NAME AND ADDRESS California High-Speed Rail Authority 925 L St Ste 1425 Sacramento, CA 95814-3704		2. AGREEMENT NUMBER: <b>FR-HSR-0009-10-01-031</b>	3. AMENDMENT NO. <b>3</b>
1A. IRS/VENDOR NO. [REDACTED]		4. PROJECT PERFORMANCE PERIOD: FROM <b>08/17/2010</b> TO <b>09/30/2017</b>	
1B. DUNS NO. [REDACTED]		5. FEDERAL FUNDING PERIOD: FROM <b>08/17/2010</b> TO <b>09/30/2017</b>	
7. CFDA#: [REDACTED]		6. ACTION <b>Administrative Supplement/Change</b>	
8. PROJECT TITLE California High-Speed Train Program ARRA Grant		9. TOTAL OF PREVIOUS AGREEMENT AND ALL AMENDMENTS	<b>2,552,556,231</b>
		10. AMOUNT OF THIS AGREEMENT OR AMENDMENT	<b>0</b>
		11. TOTAL AGREEMENT AMOUNT	<b>2,552,556,231</b>

12. INCORPORATED ATTACHMENTS  
THIS AGREEMENT INCLUDES THE FOLLOWING ATTACHMENTS, INCORPORATED HEREIN AND MADE A PART HEREOF:  
The terms of this amendment are covered in Attachment 1

13. STATUTORY AUTHORITY FOR GRANT/ COOPERATIVE AGREEMENT  
American Recovery and Reinvestment Act of 2009, Public Law 111-5 (February 17, 2009)

14. REMARKS

GRANTEE ACCEPTANCE		AGENCY APPROVAL	
15. NAME AND TITLE OF AUTHORIZED GRANTEE OFFICIAL Mr. R. Van Ark CEO		17. NAME AND TITLE OF AUTHORIZED FRA OFFICIAL Karen J. Rae Deputy Administrator	
16. SIGNATURE OF A AUTHORIZED GRANTEE OFFICIAL Electronically Signed	16A. DATE 09/13/2011	18. SIGNATURE OF AUTHORIZED FRA OFFICIAL 	18A. DATE 9/17/11

AGENCY USE ONLY

19. OBJECT CLASS CODE: <b>41010</b>		20. ORGANIZATION CODE: <b>9013000000</b>	
21. ACCOUNTING CLASSIFICATION CODES			
DOCUMENT NUMBER	FUND	BY	BPAC
FR-HSR-0009-10-01-00	[REDACTED]	2011	[REDACTED]
FR-HSR-0009-10-01-00	[REDACTED]	2010	[REDACTED]
			AMOUNT
			0
			0

# AWARD ATTACHMENTS

California High-Speed Rail Authority

FR-HSR-0009-10-01-03

1. Attachment 1

1. Attachment 3A, Initial Central Valley Section: Fresno to Bakersfield (Kern County) of the California High-Speed Train Program, is deleted in its entirety, and the following is substituted therefore:

## **ATTACHMENT 3A**

### **STATEMENT OF WORK**

(July 2011)

#### **Initial Central Valley Section: Fresno to Bakersfield (Kern County) of the California High-Speed Train Program**

### **INTRODUCTION**

In 2008, the California State Legislature adopted AB 3034, finding “it imperative that the state proceed quickly to construct a...high-speed passenger train system to serve the major metropolitan areas...It is the intent of the Legislature that the entire high-speed train system shall be constructed as quickly as possible...and that it be completed no later than 2020....” Also in 2008, California voters passed Prop 1A, approving \$9 billion in bonds to support construction of the high-speed train. The Legislature and the voters specifically directed that the system should include California’s Central Valley, as well as other major California population centers.

The California High-Speed Rail Authority (Authority or CHSRA) through the California High-Speed Train Program (CHSTP) is working to fulfill AB 3034’s directive. The new high-speed rail system will be grade-separated from road vehicle traffic and will operate almost exclusively on separate, dedicated tracks with a top design speed of up to 250 mph and an operating speed of up to 220 mph. The 800-mile, statewide program will provide reliable, high-speed electrified train service between the Bay Area, the Central Valley, Sacramento, and Southern California.

Phase 1 of the Program involves construction of about 520 miles of the system between San Francisco and Anaheim. When completed, Phase 1 will provide 2-hour and 40-minute nonstop service—competitive with air travel—between San Francisco and Los Angeles compared with over 6 hours of travel time by automobile. Subsequent phases of the CHSTP include a southern extension (Los Angeles to San Diego, via the Inland Empire) and a northern extension (from Merced to Sacramento).

The American Recovery and Reinvestment Act (ARRA), enacted February 17, 2009, contained \$8 billion to fund high-speed and intercity passenger rail (HSIPR) projects. On January 28, 2010, the U.S. Department of Transportation announced the selection of the four CHSRA design/build project sections eligible to receive up to \$2.25 billion<sup>1</sup> in ARRA funds.

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<sup>1</sup> FRA awarded \$400 million of the \$2.25 billion to Transbay Joint Powers Authority (TJPA) for specific HSR-related improvements to Transbay Terminal, reducing the total funding amount to \$1.85 billion for Phase 1 PE/NEPA/CEQA work and final design/construction.

In September 2010, the Federal Railroad Administration (FRA) and the Grantee executed the Agreement with a Federal award amount of \$194 million for preliminary engineering (PE) (up to 30% design and additional design work for discrete areas as needed and agreed to by FRA), environmental documentation to support final environmental decisions in the form of Federal Records of Decisions (RODs) and California Notices of Determination (NODs) for each of the seven sections of Phase 1 of the High-Speed Train (HST) System, and other work required prior to the start of construction including right-of-way (ROW) acquisition planning and development of the necessary procurement plans and documents for final design and construction for Phase 1 of the system all as described in Attachment 3.

On October 28, 2010, Secretary LaHood announced the selection of a Central Valley project section to receive an additional \$715 million in funding from the Transportation, Housing, and Urban Development and related Agencies Appropriations Act for 2010 (Div. A of Consolidated Appropriations Act, 2010 (Pub. L. 11-117, December 16, 2010)) (FY 10 Appropriations). The CHSRA Board met on December 2, 2010, to agree on a location to begin construction of California's HST System in the Central Valley and selected a scenario beginning in Madera County to Corcoran, California. Subsequently, FRA announced redistribution of HSIPR funding to California and other States on December 9, 2010. The redistribution provides an additional \$616,176,231 to CHSRA for PE/National Environmental Policy Act (NEPA)/California Environmental Quality Act (CEQA) work under way and final design and construction of the initial Central Valley section. A large portion of the redistributed funding (up to \$578.7 million) is included in this Statement of Work.

On March 16, 2011, FRA published a Notice of Funding Availability in the *Federal Register* to solicit applications for approximately \$2.392 billion in redirected HSIPR Program funding previously announced for the State of Florida which included both Recovery Act and FY 10 Appropriations funds, as well as approximately \$38 billion in unallocated Recovery Act funds (76 FR 14443 (March 16, 2011)). In May 2011, Secretary LaHood announced selections based on the merits of the applications received for those funds. As part of this announcement, the Authority was selected to receive an additional \$86,380,000 in ARRA funding and \$213,620,000<sup>2</sup> in FY10 Appropriations funding for final design and construction of the initial Central Valley section.

## **BACKGROUND AND KEY ASSUMPTIONS**

- In 2005, 2008, and 2010, CHSRA and FRA completed under the NEPA, and certified under the CEQA, program-level environmental impact statements/reports (EIS/EIR) covering the entire CHSTP and subsequently issued the corresponding RODs/NODs.
- CHSRA and FRA are currently preparing project-level EIS/EIR documents for the CHSTP. The CHSRA and FRA anticipate release of draft EIS/EIR documents for the two Central Valley CHSTP sections in August 2011. CHSRA and FRA will not make final decisions regarding specific facilities, construction, alignments, or mitigation measures in either section until the associated EIS/EIR is complete and certified.

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<sup>2</sup> Because these funds have a different statutory authority and associated requirements, they would be awarded in a separate Cooperative Agreement.

- Subject to FRA and CHSRA environmental decisions, CHSRA intends to implement a design/build approach for the Phase I Program as funding becomes available in prioritized geographic sections. Pending completion of environmental review, CHSRA would start construction of an initial Central Valley Section from Madera County to Bakersfield (Kern County), California (hereinafter the “Project”).
- To the extent permitted by applicable law, CHSRA and FRA agree to amend this Agreement, after completion and certification of the EIS/EIR document(s) for the Project, as necessary to conform to CHSRA and FRA final Project decisions.
- Because the Project is more expensive than any single funding source available, the Project scope is separated into two geographic sections that are integral and interdependent<sup>3</sup>. In combination with each other, they will comprise and describe the entire initial Central Valley Project. This Agreement covers final design and construction activities between Fresno and Bakersfield (Kern County), funded with \$2.321 billion<sup>4</sup> in 2009 ARRA funds that are being awarded through this Agreement. Final design and construction activities between Madera County and Fresno will require up to \$928.62 million in Federal funding and are anticipated to be addressed in a future FRA obligation of HSIPR funding.
- The timing and sequencing of each subsequent section of the CHSTP will commence as environmental requirements are met, decisions are made, and funding becomes available.
- Prior to the completion of Phase I of the Program, CHSRA will complete an initial operating segment upon which to begin operating HST service. This segment will require electrification, centralized train control and communications systems, maintenance facilities, and a fleet of high-speed trainsets. The initial operating segment will be identified in a future CHSRA Board action and will likely make up to a 200- to 300-mile line between the San Francisco Bay Area and the Central Valley or between the Los Angeles Basin and the Central Valley.
- The Project spans two EIRs/EISs, which have not been completed by CHSRA and FRA at the time of this Agreement: (1) Merced to Fresno and (2) Fresno to Bakersfield. Prioritization of the Project from Madera County to Bakersfield (Kern County), for initial Central Valley construction, does not presume a specific alignment as the RODs/NODs for such selected alignment have not yet been completed.

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<sup>3</sup> The HSIPR Program has multiple funding sources. One of these sources is the ARRA, which contained up to \$8 billion for the development of individual HSIPR projects and larger corridor programs. Another funding source is the Transportation, Housing, and Urban Development and related Agencies Appropriations Act for 2010 (Div. A of Consolidated Appropriations Act, 2010 (Pub. L. 11-117, December 16, 2010)), which appropriated a total of \$2.5 billion for HSIPR projects. These funding sources have different reporting requirements and necessarily require separate obligations.

<sup>4</sup> \$2.25 billion minus \$400 million allocated for TJPA’s Transbay Terminal = \$1.85 billion minus \$194 million allocated to Phase I PE/NEPA/CEQA work = \$1.656 billion plus \$616.2 million in redistributed HSIPR funds for final design/construction minus \$37.5 million in redistributed HSIPR funds for PE/NEPA/CEQA = \$2.23 billion of Federal funds plus and additional \$86.38 million in HSIPR funds for final design/construction = \$2.321 billion.

- To comply with FRA requirements for assuring operational independence, an Interim Use Reserve has been established for the Project. The Interim Use Reserve includes a connection on each end of the initial construction section in the Central Valley with the Burlington Northern and Santa Fe Railway Company (BNSF) mainline, plus associated positive train control (PTC), and interim station (i.e., Amtrak) capital costs, totaling \$108 million. The funds allocated to this Interim Use Reserve are to be 100% Federal funds. This allocation does not alter or affect the overall Federal share associated with funding this Project (see Project Budget). The amount established in this Fund is intended to be sufficient to complete the additional capital investments necessary to allow for the provision of interim Amtrak *San Joaquin* service in this corridor.
- If at some point before construction of the Project is substantially complete, FRA determines in coordination with CHSRA that there will be a significant delay in securing the funds required to complete the investments needed to begin initial HST revenue operations, the Federal funds set aside in the Interim Reserve Fund will be utilized to cover the capital investments necessary to allow for the section to be placed in service for intercity (non-HST) passenger rail purposes (satisfying Sections 2, 4, and 13 of Attachment 1A to this Agreement). CHSRA would not fund from bond funds, or construct or operate, such connection. Prior to letting of any design/build contracts under this Agreement, CHSRA shall coordinate to secure commitments by the appropriate other government agency(ies) and/or private entities that would construct and operate such connection and related service, including any associated environmental review required by law.
- If at some point before construction of the Project is substantially complete, FRA determines, in coordination with CHSRA, that sufficient funds are anticipated to be available to complete the investments necessary to build the initial Central Valley Section and to complete an initial operating segment for high-speed train operations, then FRA may authorize, in writing, through an Amendment to this Agreement, reallocation of the Interim Reserve Funds for additional investment in building out the California High-Speed Train Program, prioritizing environmentally cleared sections adjacent to the Project.

## **GENERAL OBJECTIVE**

Consistent with the terms of this Agreement, the Authority shall complete, or will cause to be completed, the activities necessary for final design and construction of the Project. As described in Tasks 5 through 10 below, the Project includes ROW acquisition and site work, final design, and construction of fully grade-separated mostly dedicated HST guideway, including aerial structures (viaducts) and track work. Implementation of final design and construction of the Project is conditioned on successful completion of project-level EIS/EIR documents and consistent with all necessary Federal, State, and other permits and approvals. Also included is program management and associated professional services involved in managing final design and construction of the overall Project. HST systems elements are not included in this Project (e.g., electrification, communications systems, train control, rolling stock, and vehicle

maintenance facilities); these elements will be added by CHSRA as additional funding permits and are required to complete an initial operating segment.

## **DESCRIPTION OF WORK**

The final design and construction of the Project between Fresno and Bakersfield (Kern County), is included in the following major tasks described below. Associated deliverables are outlined in the Performance Objectives and Deliverables section of Attachment 3A.

### **Task 5 Design/Build Program Management**

Task 5 includes management, oversight, and reporting of all tasks necessary to, and all contractors associated with, completing the Project including coordination with appropriate local, regional, State, and Federal agencies, all railroad owners and operators within the Project area, and outreach to local communities affected by the Project. In addition, CHSRA will direct the real property acquisition efforts for the Project. Specific construction management activities will include contract administration, submittal review, quality assurance inspection, materials inspection, management of claims and change orders, and review and approval of progress payment requests and final acceptance of the work. CHSRA is also responsible for public communication and outreach to citizens, communities, and stakeholders during all aspects and phases of Project design and construction.

CHSRA will provide to FRA the following documents to reflect Project progress:

- Annual Work Plan (AWP): CHSRA will prepare a detailed staffing plan and cost estimate for the Project. The AWP outlines the work necessary to establish and manage project control systems to maintain, manage, and monitor project schedule, budget, documentation, procurement, and tracking of deliverables so that implementation of the Project stays on schedule and within budget.
- Program Management Plan (PMP) Updates: CHSRA will update the Phase 1 Program Management Plan (PMP) and produce a Project-specific PMP addressing the management requirements of this Project and submit it to FRA for review and written approval. CHSRA will update both documents annually.
- Financial Plan Updates: CHSRA will review the Financial Plan and provide annual updates of the relevant information to FRA. The Financial Plan and updates specific to this Project shall incorporate the Interim Use Reserve discussed above and in Task 9 below. Updates of the Financial Plan will be submitted to FRA for review and written approval.
  - Prior to the release of each of the Requests for Proposals (RFPs) for the design and/or construction contracts, CHSRA will provide for FRA review and written approval a financial plan for the Project (Central Valley Project Financial Plan) that demonstrates CHSRA has secured firm commitments of all funding (other than that provided through this Agreement) required to complete construction of

the Project. The financial plan shall provide (in year-of-expenditure dollars) finalized annual projections for the sources and uses of all funds, during the development and construction phases of the Project and a detailed assessment of financial risks facing the Central Valley Project during both the construction (including risks such as capital cost overruns, revenue shortfalls, and maintenance cost overruns), along with proposed actions for mitigating or accommodating such risks (including assessment of additional funding sources available to compensate for potential capital financing shortfalls).

- CHSRA will provide FRA with a financial plan that covers the entire Phase 1 Program (including the Central Valley Project) (the Phase 1 Financial Plan) that lays out in as much detail as possible (1) annual projections for the sources and uses of all funds, during the development and construction phases of the Phase 1 Program and for the first 20 years of operations, and (2) an assessment of financial risks facing the Phase 1 Program during both the construction and operations phases (including risks such as capital cost overruns, revenue shortfalls, and operating and maintenance cost overruns), along with proposed actions for mitigating or accommodating such risks (including assessment of additional funding sources available to compensate for potential capital or operating financing shortfalls).
- For post-RFP period review, CHSRA will provide FRA with updates to the Central Valley Project Financial Plan, on at least an annual basis, or more often if there are material changes to the previous plan, updates to the Phase 1 Financial Plan, on at least an annual basis, or more often if there are material changes to the previous plan and financial plans for any additional projects funded with HSIPR funds, including the initial operating segment.
- The Finance Plan(s) shall address the financial soundness of the reserve scenario in the event Amtrak's *San Joaquin* service might operate over the new infrastructure.
- Design/Build Program Plan: CHSRA will prepare a Design/Build Program Plan that identifies: (1) the suitability of the Project as a design/build candidate, (2) the performance metrics to be used to assess successful Project completion, (3) the composition of the design/build Project team, (4) Project scope, (5) the decision factors to be used for the selection from among the design/build proposals, and (6) the methods for contract administration. Submittal of a Design/Build Program Plan is necessary to complete procurements and must be submitted to FRA for review and written approval.
- RFPs for Design and/or Construction Services: CHSRA will provide a copy of the proposed terms and conditions of the RFPs related to proposed contracts for design and/or construction services to FRA for its review and written approval prior to formally soliciting such proposals. CHSRA will work closely with FRA to complete such reviews in sufficient time to avoid impacting the Project schedule.



- Final Inspection and Acceptance Reports: Upon completion of construction, CHSRA shall invite FRA to participate in the final inspection and acceptance of the work.
- Service Development Plan Updates: CHSRA will refine and update the Phase 1 Service Development Plan and provide two updates to FRA of the relevant information based on mutual agreement with FRA that may include Operations (Service Goals, Operations Analysis, including railroad operation simulation and equipment, operations planning, and crew scheduling analysis); Fleet Management Plan (this includes a determination of the number of trainsets required for the HSIPR Corridor); Capital Needs (Phase 1 Investments and Cost Estimate); and Operating and Financial Results (Methods, Assumptions, and Outputs for Travel Demand Forecasts; Expected Revenue; and all Operating Expenses). The Service Development Plan shall be developed and updated for the purpose of informing design and construction determinations and decision making and shall be limited in scope to such purpose.

## **Task 6            Real Property Acquisition**

This task includes only real property acquisition and associated activities detailed below that are not already covered under Task 3 ROW Acquisition Support of the PE/NEPA/CEQA Agreement, (see Task 3.2 Regional Consultant ROW Work (RC Task 9) and Task 3.3 PMT ROW Work (PMT Task 6) of Exhibits 1 and 2 of Attachment 3).

The system will use or be adjacent to existing transportation ROWs to the extent feasible and will require numerous property acquisitions. Such acquisitions (the allowable costs of which are reimbursable under this Agreement) include right-of-way for the track alignment and stations consistent with Project requirements.

CHSRA will obtain and manage the necessary property rights for the system in a lawful, fiscally sound, and publicly acceptable manner. Real property acquisition will comply with all Federal, State, and local laws including the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (as amended). Real Property Acquisition will be accomplished through a headquarters element, a regional specialist oversight office, and a local team that will conduct on-the-ground real property acquisition functions. These responsibilities will be carried out through the leadership of a CHSRA HQ element consisting of a Real Property Director reporting to the CEO, and a senior State real property specialists responsible for:

- Appraisals and acquisition
- Coordination of real property aspects regarding utilities relocations and railroad and other public agency agreements and
- Relocation assistance and property management

CHSRA will have appropriate legal support which will provide real property legal services to the Director. A specialist real property consultant for program support will provide program-wide services to the Director, such as recommending acquisition standards and procedures as well as providing quality assurance and audit of the acquisition process.

On-the-ground real property activities will be carried out by onsite real property specialty consultants and may include:

- Parcel identification
- Survey and mapping
- Appraisals
- Offers of just compensation
- Negotiations
- Property acquisition and
- Relocation entitlement

CHSRA shall establish a Regional Real Property Office for the Project, which will have appropriate legal support and be staffed by senior State real property specialists who oversee the functions carried out by the onsite consultants and process those cases where State governance is appropriate.

#### **Task 7        Early Work Program**

Certain work activities associated with implementing the Project may be advanced as part of an early work program as described in the deliverables below. The Early Works Program will include soft (e.g., planning, design, coordination, negotiation, legal) and hard (e.g., construction, land acquisition, implementation) costs as described below and associated with (1) utility relocation, (2) site clearing/demolition, (3) railroad track relocation, (4) highway/roadway relocation/grade separations, (5) environmental remediation/hazardous materials disposal, and (6) environmental (NEPA/CEQA) mitigation. Implementing these activities with Federal funds is contingent upon FRA written approval of the planning for these activities, which are outlined below. Design work undertaken as part of this Task 7 is presumed not to qualify as Final Design Activities under this Agreement, subject to final determination by FRA. Activities in the early work program will occur only to the extent that they are consistent with legal requirements associated with satisfying environmental review requirements and approved by FRA.

CHSRA will provide to FRA the following documents to reflect Project progress:

- Utility Relocation Plan: CHSRA will identify all utilities that will be relocated and outline the roles and responsibilities to successfully complete all early utility relocation for the Project, contracting approach, and schedule for completing all necessary utility relocations. CHSRA will submit the Utility Relocation Plan to FRA for review and written approval. CHSRA will implement the Utility Relocation Plan and periodically update the Plan to reflect implementation progress.
- Site Clearing and Demolition Plan: CHSRA will define the area of the Project that will need to be cleared and any demolition of existing structures and outline the roles and responsibilities to successfully complete Project site clearing and demolition activities,

contracting approach, and schedule for completing all necessary site clearing and demolition of existing structures. CHSRA will submit the Site Clearing/Demolition Plan to FRA for review and written approval. CHSRA will implement the Site Clearing/Demolition Plan and periodically update the Plan to reflect implementation progress.

- Railroad Track Relocation Plan: Portions of the Project are on or adjacent to BNSF ROW. Although it is anticipated that BNSF will be responsible for its own railroad track relocation design and construction, CHSRA will work with BNSF to develop a Railroad Track Relocation Plan. CHSRA will submit the Railroad Track Relocation Plan to FRA for review and written approval. This plan will describe in detail what tracks and supporting railroad infrastructure will need to be relocated at each location along the route where such relocation is required to support the Project. CHSRA will implement any elements of the Railroad Track Relocation Plan it is responsible for under the Plan, coordinate with BNSF for completion of railroad-specific work, and periodically update the Plan to reflect implementation progress.
- Highway/Roadway Relocation/Grade Separations Plan: Highway/roadway relocations and grade separations will be completed in coordination with California Department of Transportation (Caltrans) or other owners of roadway facilities (e.g., counties, local jurisdictions) during the early stages of construction, consistent with CHSRA/Caltrans Master Agreement. CHSRA will work with Caltrans and other interested parties to develop a Highway/Roadway Relocation/Grade Separations Plan that describes in detail what Highway/Roadway relocation and grade separations are required at each location along the route where such relocation or grade separation is required to support the Project. CHSRA will submit the Highway/Roadway Relocation/Grade Separations Plan to FRA for review and written approval. CHSRA will implement any elements of the Highway/Roadway Relocation/Grade Separations Plan it is responsible for under the Plan, coordinate with Caltrans for completion of highway/roadway-specific work, and periodically update the Plan to reflect implementation progress.
- Environmental Remediation/Hazardous Materials Disposal Plan: CHSRA will develop a plan to implement remediation and hazardous material disposal activities consistent with mitigation measures CHSRA and FRA adopts and documents in the CEQA/NEPA environmental process. This plan will include compliance with existing and applicable Federal and State regulations, appropriate Authority policies, and the use of best management practices. This plan will identify procedures for testing and remediating known or suspected hazardous materials encountered during the construction of the Project. CHSRA will submit the Environmental Remediation/Hazardous Materials Disposal Plan to FRA for review and written approval. CHSRA will implement the Environmental Remediation/Hazardous Materials Disposal Plan and periodically update the Plan to reflect implementation progress.
- Environmental (NEPA/CEQA) Mitigation: The EIS/EIR final decisions by FRA and CHSRA may require mitigation measures that could include, but are not limited to purchase of wetlands mitigation sites, noise control (for example, construction of noise

walls, reinforcement of structure in sensitive receptors), preservation of agricultural lands, construction of local traffic control improvements (for example, traffic calming measures, geometric roadway improvements, installation of traffic lights). Adopted mitigation measures and associated plans for implementation would be set forth in the Environmental (NEPA/CEQA) Mitigation Implementation Plan required by the PE/NEPA/CEQA Agreement. CHSRA will implement the Environmental (NEPA/CEQA) Mitigation Implementation Plan. Updates to the Plan to reflect implementation progress are covered under the PE/NEPA/CEQA Agreement.

## **Task 8 Final Design and Construction Contract Work**

The vast majority of the work associated with this Agreement is associated with the final design and construction contracts that will be procured, awarded, and administered by CHSRA for delivery of this Project. As a deliverable in Task 1 of this Attachment 3A for review and written approval by FRA, CHSRA will prepare and deliver to FRA a Design/Build Program Plan that identifies: (1) the suitability of the Project as a design/build candidate; (2) the performance metrics to be used to assess successful Project completion; (3) the composition of the design/build Project team; (4) Project scope; (5) the decision factors to be used for the selection from among the design/build proposals; and (6) the methods for contract administration. As currently envisioned for the work covered under this Attachment 3A, up to three to four separate contracts will be utilized, including two to three geographically-based civil infrastructure contracts and at least one Project-wide track work contract. CHSRA's detailed Design/Build Program Plan will be prepared in the first quarter of FY2011. CHSRA will provide the Design/Build RFPs and CHSRA's selected Design/Build contractors to FRA for review and written approval prior to award.

### **Task 8.1 Final Design and Construction Contract Work – May 2011 ARRA Funding**

A portion of the civil structural, track design and construction to be completed by the Grantee through this Task 8.1 and involving additional miles of at-grade track has a different cost share allocation between FRA and the Grantee due to the source of the Federal funds. Because these funds are matched 20% by the State (compared to a 50% match by the State for Task 8), work will be segregated as a separate Task in one of the civil infrastructure contract packages utilized for design/build.

## **Task 9 Project Reserves**

CHSRA will establish two Project Reserve accounts. The first would be for funds over and above the Unallocated Contingency that have been budgeted but not yet allocated to specific tasks. The second would be the aforementioned "Interim Use Reserve." The Interim Use Reserve includes a connection on each end of the initial construction section in the Central Valley with the BNSF mainline plus associated PTC, and interim station (i.e., Amtrak) capital costs, totaling \$108 million. The management and use of these reserve funds will be described in the updated Project-specific PMP and proceed only upon written approval from FRA and as an Amendment to this Agreement.

## **Task 10 Unallocated Contingency**

CHSRA has allocated 5% of the Project budget as unallocated contingency. The management and use of contingency funds will be described in a Contingency Management Plan that will be prepared as part of the updated Program Management Plan.

### **PROJECT SCHEDULE**

The initial construction section in the Central Valley funded with ARRA money defined as Fresno to Bakersfield (Kern County) will be completed, and all reimbursable expenses per this Agreement will have been submitted and approved by FRA by September 2017 consistent with Section 8 of Attachment 1B. A detailed schedule outlining additional milestones for the initial construction section is on file with FRA.

	<b>Start</b>	<b>Finish</b>
<b>Task 5: Design/Build Program Management</b>	<b>4-1-11</b>	<b>9-30-17</b>
<b>Task 6: Real Property Acquisition</b>	<b>7-1-11</b>	<b>6-30-14</b>
<b>Task 7: Early Work Program</b>	<b>7-1-11</b>	<b>12-1-14</b>
<b>Task 8: Design/Build Contract Work</b>	<b>4-1-12</b>	<b>9-30-17</b>
<b>Task 8:1 Design/Build Contract Work – May 2011 ARRA Funding</b>	<b>4-1-12</b>	<b>9-30-17</b>
<b>Task 9: Project Reserve</b>	<b>Throughout the Project</b>	<b>9-30-17</b>
<b>Task 10: Unallocated Contingency</b>	<b>Throughout the Project</b>	<b>9-30-17</b>

### **PERFORMANCE OBJECTIVES AND DELIVERABLES**

**CHSRA shall achieve the following performance objectives to be authorized for funding of Project components and for the Project to be considered complete.**

#### **Overall Postaward Prerequisites**

1. Prior to commencing any activities described Tasks 6-8, CHSRA shall provide to FRA an updated Program Management Plan, including an updated cost estimate appropriate to the level of project development. This submittal must be approved by FRA in writing.

2. Prior to award of Design/Build contract work funded by this Agreement, CHSRA shall complete PE and environmental documentation for the Project as defined in Attachment 3.
3. CHSRA shall execute any required stakeholder agreements with infrastructure owners and operators (principally BNSF and Union Pacific Railroad) and other stakeholders as appropriate in advance of the commencement of work on any activity described Tasks 6-9, copies of which will be submitted prior to execution to FRA for approval.

**Task-Specific Deliverables**

CHSRA shall achieve the following deliverables.

<i>Task Description</i>	<i>Delivery Date</i>
<b><i>Task 5: Design/Build (D/B) Program Management</i></b>	
Unless FRA determines otherwise in writing, the Authority may not continue to conduct any construction activities, as described in Attachment 3, unless and until the Authority submits, and FRA approves in writing, the following deliverables:	
2011 Annual Work Plan (AWP)	8-11
2012 AWP	8-12
2013 AWP	8-13
2014 AWP	8-14
2015 AWP	8-15
2016 AWP	8-16
2017 AWP	8-17
2012 Operations Modeling/Schedules/Demand Forecasts for Ridership & Revenue	4-12
Design/Build (D/B) Program Plan	8-11
2012 Financial Plan Update	7-12
2012 PMP Update	7-12
2012 Service Development Plan Update	7-12
2013 Financial Plan Update	7-13
2013 PMP Update	7-13
2014 Financial Plan Update	7-14
2014 PMP Update	7-14
2015 Financial Plan Update	7-15
2015 PMP Update	7-15

<b><i>Task Description</i></b>	<b><i>Delivery Date</i></b>
2016 Financial Plan Update	7-16
2016 PMP Update	7-16
2016 Service Development Plan Update	7-16
2016 Operations Modeling/Schedules/Demand Forecast Update for Ridership & Revenue	7-16
<b><i>Task 6: Real Property Acquisition</i></b>	
Quarterly Updates to the Real Property Acquisition Plan	Quarterly
<b><i>Task 7: Early Work Program<sup>5</sup></i></b>	
Utility Relocation Plan	4-12
Site Clearing/Demolition Plan	4-12
Railroad Track Relocation Plan	4-12
Highway Relocation Plan	4-12
Environmental Remediation/HazMat Disposal Plan	12-11
<b><i>Tasks 8 and 8.1: D/B Contract Work</i></b>	
D/B Contract #1 RFP	12-11
D/B Contract #2 RFP	12-11
D/B Contract #3 RFP	12-11
D/B Project-wide Track Work RFP	4-13
Interim Use Construction RFP	<i>If needed</i>
CHSRA D/B Contractor Selection	8/12
D/B Contract #1 Final Inspection and Acceptance Report	2-17
D/B Contract #2 Final Inspection and Acceptance Report	4-17
D/B Contract #3 Final Inspection and Acceptance Report	6-17
D/B Projectwide Track Work Inspection and Acceptance Report	9-17
Interim Use Construction Final Inspection and Acceptance Report	<i>If needed</i>
<b><i>Task 9: Project Reserves</i></b>	
Project Reserve Plan	10-11
Project Reserve Plan Quarterly Updates	Quarterly
<b><i>Task 10: Unallocated Contingency</i></b>	

<sup>5</sup> The Plans associated with Early Works activities covered by this Agreement will be updated periodically to reflect implementation progress.

<i>Task Description</i>	<i>Delivery Date</i>
Contingency Management Plan (CMP)	10-11
CMP Quarterly Updates	Quarterly

To the extent any of foregoing schedule tasks or associated deliverables cannot be completed until associated environmental review is completed, FRA and CHSRA agree to modify the schedule by Amendment to this Agreement.

### **PROJECT ADMINISTRATION**

CHSRA will provide Project receipts and documents as required by FRA. CHSRA will obtain documentation of materials, payrolls and work performed, invoices and receipts, etc., during the Program from contractors and consultants as conditions of payment. These will be submitted or made available to FRA as required.

### **PROJECT BUDGET**

The total estimated cost of the Project is \$5,058,327,462. The total estimated cost for activities in Attachment 3 and the activities in Attachment 3A excluding Task 8.1 is \$4,950,352,462 of which FRA will contribute an estimated 50% but not more than \$2,466,176,231. The total estimated cost of Attachment 3A, Task 8.1 is \$107,975,000 for which FRA will contribute an estimated 80% but not more than \$86,380,000.<sup>6</sup> Any additional expense required beyond that provided in this statement of work shall be borne by CHSRA. A cost summary by task is shown below and a detailed budget is on file with FRA. These are estimates only and cover work that will be required regardless of the specific facilities and horizontal/vertical alignments for the Central Valley portion of the CHSTP CHSRA and FRA ultimately select.

#### **Cost Summary**

<b>Task Description</b>	<b>Federal</b>	<b>State</b>	<b>Local</b>	<b>Total</b>
<b>Task 5: Design/Build Program Management</b>				
	\$333,526,830.00	\$333,526,831.00	\$0.00	\$667,053,661.00
<b>Task 6: Real Property Acquisition</b>				
	\$165,109,906.00	\$161,109,906.00	\$6,000,000.00	\$332,219,812.00
<b>Task 7: Early Work Program</b>				
	\$125,612,570.00	\$125,612,569.00	\$0.00	\$251,225,139.00
<b>Task 8: Design/Build Contract Work</b>				

<sup>6</sup> Because the Grantee contribution is different, the funding has been split into Tasks 8 and 8.1 to facilitate tracking the appropriate contribution and any associated requirements.



	\$1,455,774,423.00	\$1,455,774,423.00	\$0.00	\$2,911,548,846.00
8.1 Design/Build Contract Work – May 2011 ARRA Funds	\$86,380,000	\$21,595,000	\$0.00	\$107,975,000
<b>Task 9: Project Reserves</b>				
9.1 Project Reserve	\$0.00	\$37,195,511.00	\$0.00	\$37,195,511.00
9.2 Interim Use Reserve	\$108,023,253.00	\$0.00	\$0.00	\$108,023,253.00
<b>Task 10: Unallocated Contingency</b>				
	\$46,629,249.00	\$117,456,991.00	\$0.00	\$164,086,240.00
<b>TOTAL</b>	\$2,321,056,231	\$2,252,271,231	\$6,000,000	\$4,579,327,462

## PROJECT COORDINATION

CHSRA will perform all tasks required for the Project including necessary coordination with all involved Federal and State agencies, local governments, and all railroad owners and operators and stakeholders using processes already in place. CHSRA's project coordination process is based on ongoing practice, executed Memoranda of Understanding and other Agreements, and public involvement processes developed for the NEPA/CEQA phase of the Project.

## PROJECT MANAGEMENT

The Authority's staff organization currently consists of a Chief Executive Officer, a Chief of Staff, a Chief Financial Officer, Chief Counsel and two Deputy Executive Directors (for Communication, Policy and Public Outreach, and for Environmental Review and Planning), a small support staff, as well as a Chief Engineer contractor, a Project Management Oversight (PMO) contractor, a Government Relations Management contractor, a Program Management Team, and seven RC Teams (plus an additional team for the "Altamont Corridor Rail Project"). Additionally, CHSRA employs a financial consultant contractor and a public outreach and communications contractor. CHSRA plans to hire a Construction Management consultant for this Project. The Authority's organization for this work will be supported by appropriate legal services.

CHSRA will engage contractors through the competitive bidding process established by the State of California for all construction activities and in compliance with Federal regulations. CHSRA will provide construction oversight and will give direction to the construction engineering and contractor.

CHSRA shall satisfy the requirements of this Agreement including providing all of the deliverables in a timely manner for FRA's review, acceptance, or approval. FRA approval is specifically required for all Project deliverables, as laid out in Attachments 3 and 3A of this Agreement. Failure to satisfy the deliverables within the prescribed timeframes may result in FRA withholding grant payments or any other action consistent with the terms of the

Cooperative Agreement and Federal law. FRA normally requires a minimum of 30 calendar days for review and approvals.

Nothing herein is intended to, or shall be construed to or shall operate to, preclude or to limit CHSRA from negotiating such changes in its contracts with its consultants as it finds are necessary and appropriate to secure the performance of the work described herein in an adequate and timely manner, provided, however, that CHSRA shall provide FRA timely written notice of all such contractual changes relevant to the work to be performed under Attachment 3 of this Agreement.

2. The Grantee will carry out the Project, to include all individual work efforts covered by the Statement of Work, Attachment 3, and all supplemental Statements of Work, in accordance with the terms of the Agreement.
3. Except as specifically amended hereby, all terms, conditions, and attachments of the original Agreement will remain in full force and effect, and the parties hereto agree thereto.