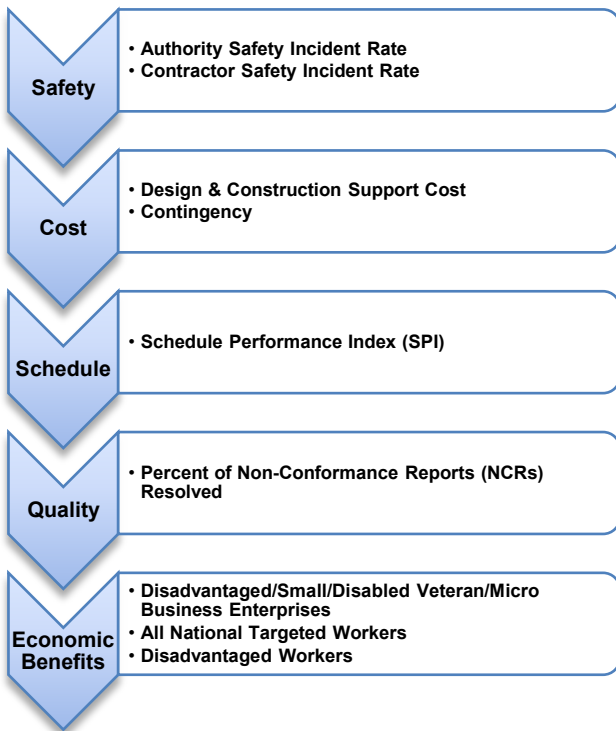


Finance and Audit Committee

Performance Metrics

Construction Package 1 Contract No. HSR 13-06

Board Meeting: Jul 2019
Data Date: 5/31/2019



PERFORMANCE METRICS

The following performance metrics for Construction Package 1, a design-build project, are intended to give the Authority's Board of Directors and other key stakeholders a high level overview of the performance of this project.

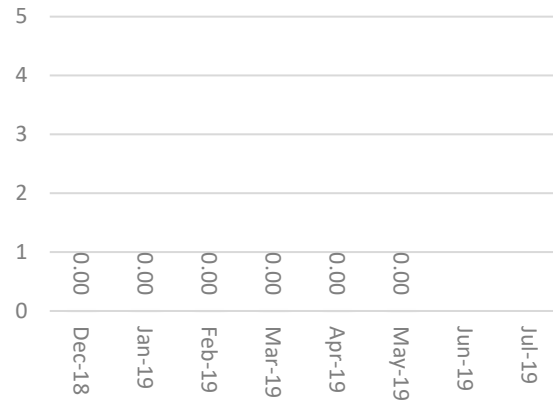
Safety is a top priority and listed first, followed by key metrics for cost, schedule, and quality, as all are fundamental metrics for the management of the project. In addition and in support of the business aspects of the project, three key metrics are included for economic benefits. The Authority's management team, both on the project site and at the headquarters in Sacramento, will also review other aspects of the project's performance. The Authority will track and monitor the trends of these performance metrics to proactively manage the project.



Performance Metrics

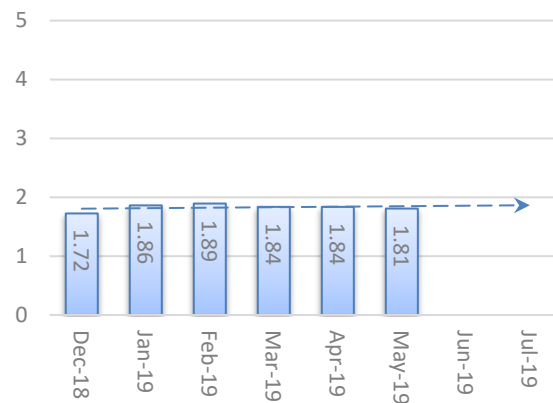
Authority Safety Incident Rate

$[\text{Number of injuries and illnesses}] \div [\text{Employee hours worked}] * [200,000]$



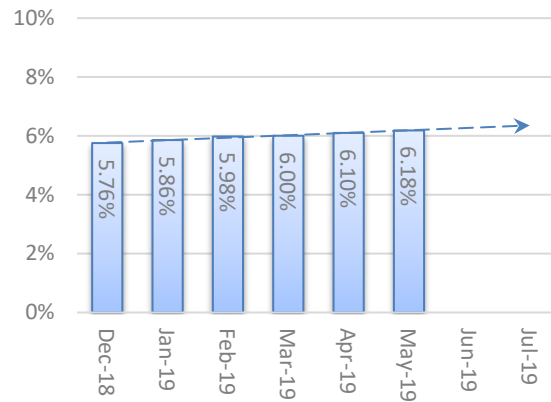
Contractor Safety Incident Rate

$[\text{Number of injuries and illnesses}] \div [\text{Employee hours worked}] * [200,000]$



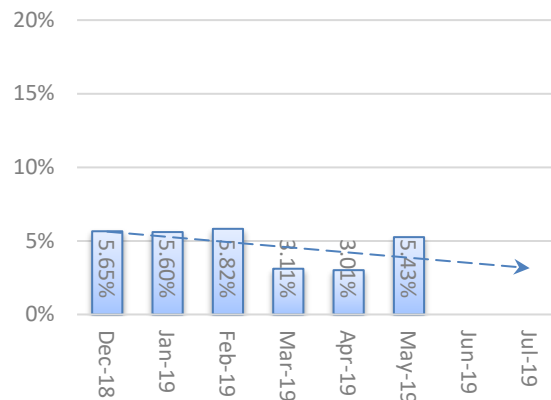
Design & Construction Support Cost¹

[Design & Construction Support Cost] ÷ [DB Invoiced to Date Amount]



Contingency

[Remaining Contingency Value] ÷ [Remaining Contract Value]



1. Remaining Contingency² = \$33,874,394; Remaining Contract Value³ = \$624,573,651
2. Currently at 5.43%, performance target is > 10%

Reason – Right-of-way delay impacts through 12/31/2015 have been resolved with the Contractor in Change Order 00099, with the delay costs coming out of project contingency. The Remaining Contract Value has also increased due to added scope for the Northern Extension and previously excluded Third Party Utility relocations that are now delegated to the Contractor. The Project baseline is being evaluated based on events to date and the work remaining.

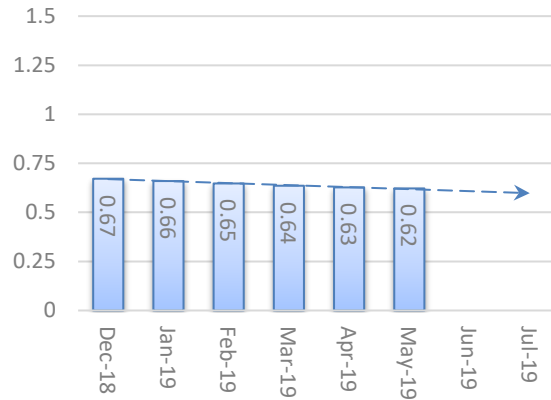
Mitigation/Improvements – Project budget and contingency are being evaluated and will be revised as part of the 2018 Business Plan.

¹ Design & construction support cost includes forecasted Earned to Date value for the current period

² Includes Board authorized \$50.3 million funds transfer to Contingency

³ Includes Board authorized \$40 million funding for 3rd Party Provisional Sums

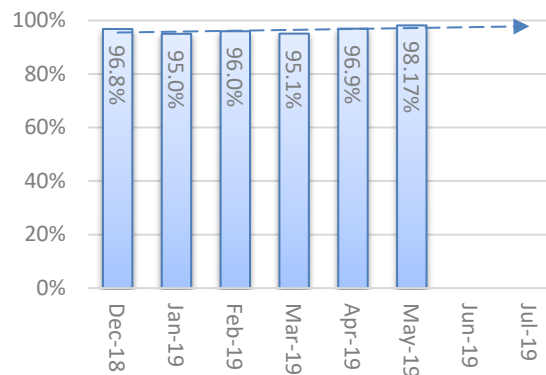
Schedule Performance Index (SPI)
[Earned Value] ÷ [Average Planned Value]



Reason – September 2017 the methodology used to perform the SPI calculation was revised to more accurately reflect progress (earned value) in regard to the Contractor’s plan (planned value). Previously, change orders executed after approval of the baseline schedule were skewing the calculation. This adjustment resulted in a reduction of the earned value portion of the calculation, and correspondingly, a lower SPI.

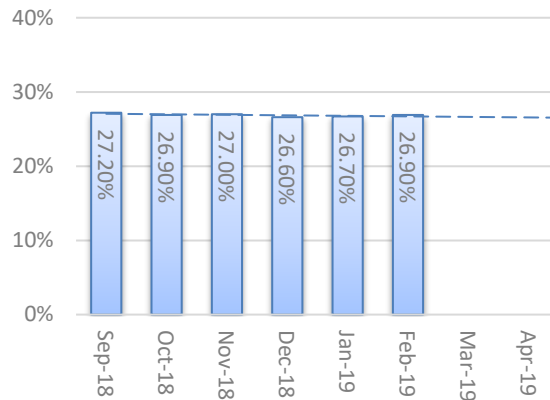
Mitigation/Improvements – The Authority is currently evaluating a Time Impact Analysis from the Contractor. Once resolved, the Contractor will submit a Revised Baseline Schedule, which will establish a revised plan (planned value) for evaluation of the SPI.

Quality - Percent of Non-Conformance Reports (NCRs) Resolved
[Resolved Non-Conformance Reports] ÷ [Total Number of Non-Conformance Reports]



Disadvantaged/Small/Disabled Veteran/Micro Business Enterprises⁴

[Total Value of DBE/SBE/DVBE/MB Contracts Signed to Date with the DB Contractor] ÷ [DB Contract Value]
Goals: 10% by 1/2014, 20% by 7/2014, and 30% by 12/2016



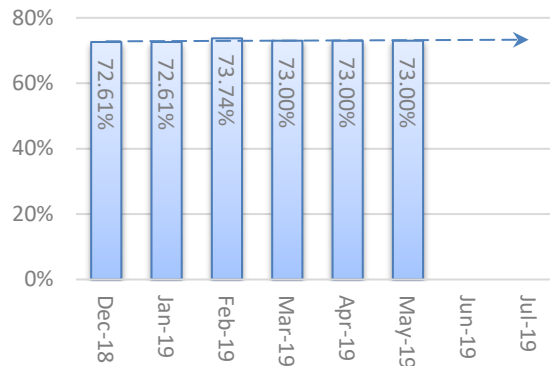
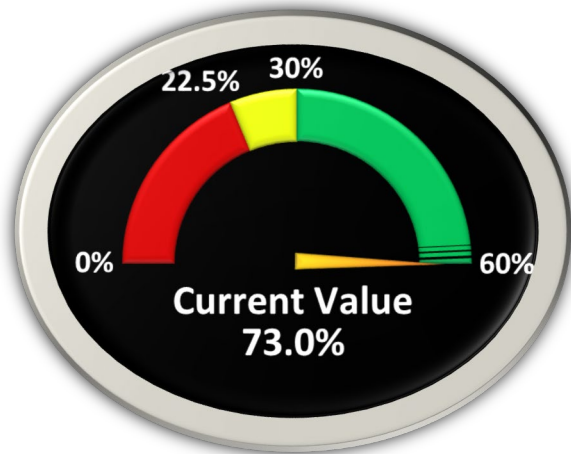
Reason – The value of DBE/SBE/DVBE/MB subcontracts signed to date has not reached 30% of the total contract value. This is, in part, due to prime contract change orders that have increased the total contract value, but may not yet be subcontracted out for performance.

Additionally, the December 2016 date identified for achieving the overall 30% small business goal is an internal goal established by the Authority; it is not stipulated in the Contract nor the Community Benefits Agreement.

Mitigation/Improvements – Subcontracts are continuously awarded and amended by the Contractor throughout construction. This metric will improve as the Contractor awards additional small business subcontracts, or issues subcontract change orders to existing subcontracts to account for prime contract change orders.

All National Targeted Workers

[National Targeted Worker Craft Hours to Date⁵] ÷ [Total Craft Hours to Date²]

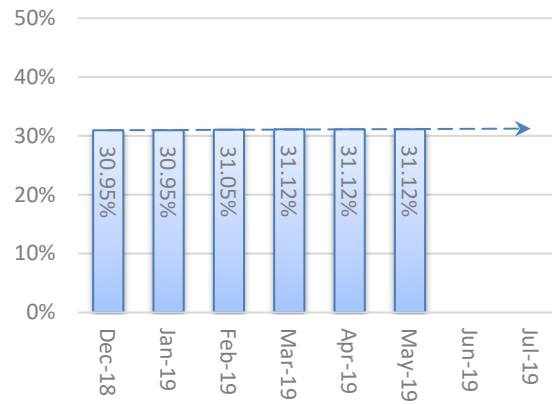


⁴ Most recent data published by HSR Labor and Compliance Group

⁵ Estimated value

Disadvantaged Workers

[Disadvantaged Worker Craft Hours to Date²] ÷ [National Targeted Worker Hours²]



Performance Metrics – Explanatory Details

Category	Description
General	Data Period
Description	The Performance Metrics represent the period of 10/15/2013 (Notice to Proceed) to 5/31/2019.
Safety	Authority Safety Incident Rate: $[\text{Number of injuries and illnesses}] \div [\text{Employee hours worked}] * [200,000]$
Description	<ul style="list-style-type: none"> • The goal is to contain the incidence rate at ≤ 3.2. • Benchmark: The average incidence rate per the 2012 U.S. Bureau of Labor Statistics, U.S. Department of Labor for heavy and civil engineering construction is 3.2. • Authority (CP01 Authority and Consultant on-site staff) has zero (0) incidents of recordable injury or illness to date. • The Consultant staff has 381,417 hours⁶ worked to date • The incidence rate represents the number of nonfatal occupational injuries and illnesses per 100 full-time workers and is calculated as: $(N/EH) \times 200,000$, where N = number of injuries and illnesses EH = total hours worked by all employees during the calendar year 200,000 = base for 100 equivalent full-time workers (working 40 hours per week, 50 weeks per year)
Safety	Contractor Safety Incident Rate: $[\text{Number of injuries and illnesses}] \div [\text{Employee hours worked}] * [200,000]$
Description	<ul style="list-style-type: none"> • The goal is to contain the incidence rate at ≤ 3.2. • Benchmark: The average incidence rate per the 2012 U.S. Bureau of Labor Statistics, U.S. Department of Labor for heavy and civil engineering construction is 3.2. • Design-Build Contractor (DB) has thirty-six (36) incidents of recordable injury or illness to date. • Design-Build Contractor (DB) has 3,983,576 hours worked to date. • The incidence rate represents the number of nonfatal occupational injuries and illnesses per 100 full-time workers and is calculated as: $(N/EH) \times 200,000$, where N = number of injuries and illnesses EH = total hours worked by all employees during the calendar year 200,000 = base for 100 equivalent full-time workers (working 40 hours per week, 50 weeks per year)
Cost	Design & Construction Support Cost: $[\text{Design \& Construction Support Cost}] \div [\text{DB Invoiced to Date Amount}]$
Description	<ul style="list-style-type: none"> • The goal is to keep the support cost at $\leq 6\%$. • Benchmark: Transit Cooperative Research Program (TCRP) Report 138 is an industry resource for understanding soft costs and was sponsored by the FTA. Construction Administration & Management should be in the range of 5% to 6% of construction costs. • The Design & Construction Support Cost encompasses the Project & Construction Management Team (PCM) invoiced to date amount³ = \$58,822,236 • The DB Invoiced to Date Amount = \$951,084,503
Cost	Contingency: $[\text{Remaining Contingency Value}] \div [\text{Remaining Contract Value}]$
Description	<ul style="list-style-type: none"> • The goal is to contain the contingency in the range of 10-20%.

⁶ Estimated value

Category	Description
	<ul style="list-style-type: none"> • Benchmark: As per guidelines by Federal Transit Authority cost for contingency should be in the range of 10% to 20% of construction cost during the 15% - 30% Preliminary Design Report. • <i>(Note: The contingency percentage will be adjusted per FTA guidelines as design and construction move forward.)</i> • The Remaining Contingency⁷ = [Current Allocated Contingency Amount] – [Executed Change Orders Affecting Contingency] = \$33,874,394.19 • The Remaining Contract Value⁸ = [Revised DB Contract Amount] – [Authority Approved Invoices to Date] = \$624,573,651
Schedule	Schedule Performance Index (SPI): $\text{Earned Value (EV)} \div \text{Average Planned Value (PV)}$
Description	<ul style="list-style-type: none"> • The goal is to achieve $\text{SPI} \geq 1$, which is same as $\geq 100\%$ when expressed in percent. • Benchmark: As per guidelines by PMI (Project Management Institute, World Wide) the SPI should be ≥ 1 or 100%. • At a value of 100% the Project is forecasted to complete on-time. • $\text{EV} = \text{Percent Complete} \times \text{BAC (Budget at Completion)}$ • $\text{PV} = \text{Planned Value}$ • Planned Value in dollars to be spent to data date is derived from the approved baseline schedule, which stands at \$1,027,326,493 through the most recent billing period.
Quality	Percent of Non-Conformance Reports (NCR) Resolved: $\frac{[\text{Resolved Non-Conformance Reports}]}{[\text{Total Number of Non-Conformance Reports}]}$
Description	<ul style="list-style-type: none"> • The goal is to maintain a NCR resolution rate of $\geq 85\%$. • This metric is a measure of the quantity of non-conforming work issues identified on the project, based on the KPI Standard organization's Heavy and Civil Engineering Construction definition. • The target rate identified is preliminary and is derived from the professional judgment of multiple quality managers and construction professionals. This metric will be measured and trended for refinement throughout the life of the CP1 project and across multiple High Speed Rail construction packages to develop a performance standard for the High Speed Rail. • To Date: <ul style="list-style-type: none"> ○ 161 Contractor Issued NCRs, 160 resolved ○ 94 Owner Issued NCRs, 91 resolved ○ 14 ISE Issued NCRs, 14 resolved ○ 58 Environmental Issued NCRs, 56 resolved
Economic Benefits	Disadvantaged/Small/Disabled Veteran/Micro Business Enterprises: $\frac{[\text{Total Value of DBE/SBE/DVBE/MB Contracts Signed to Date with the DB}]}{[\text{DB Contract Value}]}$
Description	<ul style="list-style-type: none"> • The current goal is to achieve $\geq 30\%$ • Benchmark: As the project design is refined, the DB executes DBE/SBE/DVBE/MB subcontracts for specific portions of work. To date, the DB has not provided a schedule of when all of the DBE/SBE/DVBE/MB subcontracts will be signed. The Project and Construction Management Team set goals of 10% by 1/14, 20% by 7/2014 and 30% by 12/2016. • DB has executed subcontracts with DBE/SBE/DVBE/MB firms totaling 26.99% of the current DB Contract Amount.

⁷ Includes Board authorized \$50.3 million funds transfer to Contingency

⁸ Includes Board authorized \$40 million funding for 3rd Party Provisional Sums

Category	Description
Economic Benefits	All National Targeted Workers: $[\text{National Targeted Worker Craft Hours to Date}^4] \div [\text{Total Craft Hours to Date}^4]$
Description	<ul style="list-style-type: none"> • The goal is $\geq 30\%$ as identified in the contract. • Benchmark: The Community Benefits Agreement requires a minimum of 30% of all hours of Project Work shall be performed by National Targeted Workers. The data is officially reported quarterly and estimated monthly by the DB. • DB has 1,176,007 National Targeted Worker craft hours⁹ to date. • DB has 1,610,996 craft hours⁸ to date.
Economic Benefits	Disadvantaged Workers: $[\text{Disadvantaged Worker Craft Hours to Date}^4] \div [\text{National Targeted Worker Hours to Date}^4]$
Description	<ul style="list-style-type: none"> • The goal is $\geq 10\%$ as identified in the contract. • Benchmark: The Community Benefits Agreement requires a minimum of 10% of all National Targeted Worker hours shall be performed by Disadvantaged Workers. The data is officially reported quarterly and estimated monthly by the DB. • DB has 366,005 Disadvantaged Worker craft hours⁸ to date. • DB has 1,176,007 National Targeted Worker hours⁸ to date.

⁹ Estimated value
Data Date: 5/31/2019