



**California High-Speed Rail:  
Financial Reports Executive Summary**

September 2019 Report (Data through July 31, 2019)

# Executive Summary for September 2019 Report

## Accounts Payable Aging And Disputes Report

(\$ in millions)

	Prior Year Jul-18 Data	Prior Month Jun-19 Data	Current Month Jul-19 Data
Total Aged Invoices	\$0	\$0	\$0
Dispute Summary	\$27.5	\$4.6	\$4.4
Number of Invoices Paid	184	235	225
Value of Invoices Paid	\$65.8	\$57.9	\$72.7
Number of In-Process Invoices	165	130	179
Value of In-Process Invoices	\$53.7	\$55.9	\$33.7
Total Number of Invoices Paid and In-Process	349	365	404

- ▶ The Authority has not had an aged invoice in 23 months and has not made a penalty payment in 30 months.
- ▶ The Authority currently has 161 disputed invoices with a total value of \$4.4M. This is a 5.2% or \$239K decrease from the \$4.6M reported last month.
- ▶ The Authority's focused efforts to decrease disputes have resulted in a 84.1% or \$23.1M reduction from the Sep-18 reported total of \$27.5M.

**Note:** The total number of invoices paid and in-process will fluctuate depending on the progress of the project.

## Cash Management Report

(\$ in millions)

	Prior Year Jul-18 Data	Prior Month Jun-19 Data	Current Month Jul-19 Data
Prop IA Bond Fund Ending Cash Balance	\$1,044.3	\$821.8	\$763.5
Cap and Trade Ending Cash Balance	\$1,529.2	\$2,218.9	\$2,216.5

- ▶ Prop IA funds are used for Administrative costs, Project Development (environmental studies, planning, and preliminary engineering), Construction activities (civil works and ROW), and Local Assistance (Bookend projects). Bond sales are conducted twice per year by the State Treasurer's Office (STO) in the spring and fall and cash becomes available generally within one month.
- ▶ Cap and Trade funds are used for various program priorities such as financial advisors, federal contracts, and other high priority projects (e.g. San Mateo Grade Separation). Cap and Trade auctions occur four times per year (Aug, Nov, Feb, May) and are subject to administrative adjustments by the Air Resources Board and the Department of Finance (e.g. fire fee, manufacturing tax exemption offsets, and foreign exchange rate adjustments).
- ▶ The last 4 auctions have resulted in \$786M for the Authority (Aug-18, \$170M; Nov-18, \$214M; Feb-19, \$213M; May-19, \$189M).

**Note:** A Cap and Trade auction occurred on Aug 20, 2019. The preliminary share of proceeds for the Authority are estimated to be \$145M after the backfill provisions of the California Global Warming Solutions Act extension (AB398 of 2017).

# Executive Summary for September 2019 Report

## Administrative Budget and Expenditures Report

(\$ in millions)

	Prior Year Jul-18 Data	Prior Month Jun-19 Data	Current Month Jul-19 Data
Budget (Fiscal Year)	\$45.4	\$47.2	\$56.2
Monthly Expenditures	\$2.8	\$4.0	\$2.8
YTD Expenditures	\$2.8	\$37.4	\$2.8
Percentage of Budget Expended YTD	6.1%	79.3%	4.9%
Percentage of Personal Services Budget Expended YTD	7.6%	86.5%	6.4%
Percentage of Operating Expenses and Equipment Expended YTD	2.1%	56.4%	0.9%
Percentage of Fiscal Year Completed	8.3%	100%	8.3%
Total Authorized Positions	226	226	271
Total Filled Positions	193	185	186
Vacancy Rate	14.6%	18.1%	31.4%

- ▶ The FY2019-20 Administrative Budget totals \$56.2M, which is an increase of \$8.9M or 19% from the prior year (FY2018-19). The budget increase is primarily due to approved BCP's requesting: (1) Five positions to be used for the enhancement of the Authority's IT security practices, (2) Five positions to begin transitioning some of the Authority's core IT functions from consultant contracts to state staff, (3) 35 positions to shift contract management and administration, budgeting, federal grant, and accounting services from consultant contracts to state staff.
- ▶ At 8.3% of the fiscal year completed, 4.9% or \$2.8M of the total Administrative Budget (\$56.2M) has been spent, which remains in line with the prior year expenditures. Budget underutilization is due to vacancies and low OE&E spending.
- ▶ As of July 31, 2019, the Authority's vacancy rate is 31.4%, primarily due to the addition of 45 new state positions. The Authority is working diligently to fill all its vacant positions.

# Executive Summary for September 2019 Report

## Capital Outlay Budget Summary

(\$ in millions)

	Prior Year	Prior Month	Current Month
	Jul-18 Data	Jun-19 Data	Jul-19 Data
Budget (Fiscal Year)	\$1,786.8	\$1,786.8	\$2,255.0
Monthly Expenditures	\$89.5	\$184.6	\$48.8
YTD Expenditures	\$89.5	\$998.8	\$48.8
Percentage of Budget Expended Year to Date	5.0%	55.9%	2.2%
Percentage of Fiscal Year Completed	8.3%	100%	8.3%

- ▶ The FY2019-20 budget supports activities within the Program's Baseline Budget (\$15.613B).
- ▶ YTD Capital Outlay expenditures are \$48.8M or 2.2% of budget, which is a \$40.6M or 45.5% decrease from prior year (\$89.5M reported for Jul-18). The underutilization of budget is primarily due to low spending within Project Development and the Construction Packages.
- ▶ Expenditures by construction segment were as follows: CP1: \$10.0M, CP2-3: \$14.8M, CP4: \$12.5M, Total: \$37.3M.
- ▶ Design Build contract work within each construction segment were as follows: CP1: \$7.6M, CP2-3: \$10.0M, CP4: \$10.2M, Total: \$27.8M.

## Total Project Expenditures with Forecasts

Program Category	Expenditures to Date (\$ in millions)	%
Construction	\$4,290.2	75%
Project Development	\$1,170.3	20%
Administration	\$169.4	3%
Local Assistance	\$124.1	2%
<b>Total</b>	<b>\$5,753.9</b>	<b>100%</b>

Fund Type (\$ in millions)	Total Match	FRA Approved Match to Date	Remaining Match	% Approved Match to Date	Pending FRA Approval	Total Submitted to FRA
State and Local Funds	(A)	(B)	(A - B)	(B / A)	(C)	(B + C)
State Match to ARRA	\$ 2,496.4	\$ 476.7	\$ 2,019.7	19.1%	\$ 615.9	\$ 1,092.6
Local Match to ARRA	\$ 4.1	\$ -	\$ 4.1	0.0%	\$ -	\$ -
<b>Total</b>	<b>\$ 2,500.5</b>	<b>\$ 476.7</b>	<b>\$ 2,023.8</b>	<b>19.1%</b>	<b>\$ 615.9</b>	<b>\$ 1,092.6</b>

- ▶ The State Match to ARRA and State Match Liability tables reflect invoices approved by the FRA and pending approval by FRA. In addition, there is \$450M in-process at HSRA, resulting in \$1.543B (62%) approved by the FRA, pending approval by the FRA, and in-process at HSRA as of July 31, 2019.

# Executive Summary for September 2019 Report

## Contracts and Expenditures Report

(\$ in millions)

	Prior Year Jul-18 Data	Prior Month Jun-19 Data	Current Month Jul-19 Data
Number of Contracts	227	199	195
Total Value of Contracts	\$5,859.2	\$6,690.2	\$6,802.4
Number of Purchase Orders	70	72	78
Total Value of Purchase Orders	\$1.2	\$1.3	\$1.3
Total Value Contracts and Purchase Orders	\$5,860.4	\$6,691.5	\$6,803.7
Small Business Utilization Rate	20.7%	21.1%	21.3%

- ▶ Contracts are predominately issued for services, while purchase orders are generally used to acquire goods.
- ▶ As of July 31, 2019, the Authority had 195 active contracts and 78 active purchase orders (POs) with a total value of \$6.804B.
- ▶ Month-over-Month the value of contracts increased \$112.2M, primarily due to approved change orders on Design Builder contracts and a contract amendment to increase funding for ROW services.
- ▶ The Sep-19 report reflects a Small Business Utilization Rate (SBU) of **21.3%**. The current rate represents a 5.1% increase from the inception of SBU reporting in Feb-15 of 16.2%.
- ▶ The Authority anticipates SBU to increase as construction activity ramps up moving closer to the SBU goal of 30%, per the Small and Disadvantaged Business Enterprise Policy approved in Aug-12.
- ▶ As of June 30, 2019 there are **530** small businesses actively working on the high-speed rail project, including **172** DBEs and **56** Certified DVBEs.

## Projects & Initiatives Report

Time Line Status	Prior Year Jul-18 Data	Prior Month Jun-19 Data	Current Month Jul-19 Data
Satisfactory	12	8	7
Caution	3	5	6
Escalate (red)	3	1	1
On hold	5	2	1
Completed	1	0	0
n/a – Milestones TBD	6	6	6
Total	30	22	21

### Projects Removed Since Jul-18 Report

- 1) Programming Plan
- 2) PMIS – Contract and Document Management System
- 3) RDP Work Plan 2C Ext and Work Plan 3
- 4) Programming Plan
- 5) PMIS – Business Intelligence
- 6) Right of Way (ROW) Management System – geoAmps
- 7) Environmental Mitigation Management and Assessment Application – EMMA 2.0
- 8) PMIS - Cost Management System

- ▶ The Financial System (FIMS) project, which was on hold, has been removed from the report as the project is no longer necessary.
- ▶ In Jul-19, the status of Northern CA Region San Francisco to San Jose was changed from Satisfactory to Caution.
- ▶ Bakersfield to Palmdale remains in Escalate status due to additional engagement with local stakeholders for Cesar Chavez National Monument.

# Executive Summary for September 2019 Report

## Contingency Summary

(data is cumulative from the May 2019 Project Budget Update through July 31, 2019, in millions)

Contingency Category	CP1 Total Alloc.	CP1 Cumul. Authorized	CP1 Balance	CP2-3 Total Alloc.	CP2-3 Cumul. Authorized	CP2-3 Balance	CP4 Total Alloc.	CP4 Cumul. Authorized	CP4 Balance	Other Total Alloc.	Other Cumul. Authorized	Other Balance	Total Alloc.	Total Cumul. Authorized	Total Balance
Project Contingency	\$ 1,237	\$ 177	\$ 1,060	\$ 1,085	\$ 113	\$ 972	\$ 340	\$ 46	\$ 294	\$ -	\$ -	\$ -	\$ 2,662	\$ 337	\$ 2,325
Unallocated Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 426	\$ -	\$ 426	\$ 426	\$ -	\$ 426
Interim Use/Project Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 208	\$ 54	\$ 154	\$ 208	\$ 54	\$ 154
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 301	\$ -	\$ 301	\$ 301	\$ -	\$ 301
<b>Total</b>	<b>\$ 1,237</b>	<b>\$ 177</b>	<b>\$ 1,060</b>	<b>\$ 1,085</b>	<b>\$ 113</b>	<b>\$ 972</b>	<b>\$ 340</b>	<b>\$ 46</b>	<b>\$ 294</b>	<b>\$ 935</b>	<b>\$ 54</b>	<b>\$ 881</b>	<b>\$ 3,597</b>	<b>\$ 391</b>	<b>\$ 3,206</b>

## HSR Governance Actions

### July 2019 Activity

	Project	Contract #	Code	Authorizations (in millions)	Comments
<b>Contingency Category: Project Contingency</b>					
Authorizations >\$25 million					<b>None</b>
Dragados/Flatiron (a)	CP2-3	HSR 13-57	A/B	\$ 31	Open Abutments
Tutor Perini	CPI	HSR 13-06	D	\$ 126	Time Impact Analysis
Arcadis (a)	CP2-3	HSR 13-81	B	\$ 55	Contract Amendment
Authorizations <\$25 million				\$ 28	Other executed change orders
Adjustments (+/-)					
<b>Monthly Subtotal</b>				<b>\$ 240</b>	
<b>Previously Approved Authorizations</b>				<b>\$ 97</b>	
<b>Total Cumulative Authorizations</b>				<b>\$ 337</b>	

(a) Approved at June 2019 BOC

Notes:

- Contingency Category "Other" refers to Non-DB CVS Scope and Non CVS Scope.
- Total Alloc.: Total Allocation is the initial contingency allocation set at the 2019 Budget Update.
- Cumul. Authorized: Cumulative Authorized is the total amount of individual contingency transfers \$25M and over that have received approval through the HSR governance process for which a change order/contract has not been executed and all executed change orders involving the transfer of contingency.
- Balance is the remaining contingency balance after all HSR approved contingency transfers \$25M and over for which a change order has not been executed and all executed change orders involving the transfer of contingency.
- All HSR approved contingency transfers \$25M and over approved during the monthly activity reported are detailed in this summary. (no contingency transfers over \$25M occurred in June 2019)

Category	Project	Contract #	Code	Authorizations (in millions)	Comments
<b>Contingency Category: Unallocated Contingency</b>					
Authorizations				\$ -	None
<b>Monthly Subtotal</b>				<b>\$ -</b>	
<b>Previously Approved Authorizations</b>				<b>\$ -</b>	
<b>Total Cumulative Authorizations</b>				<b>\$ -</b>	
<b>Contingency Category: Interim Use/Project Reserve</b>					
Authorizations				\$ -	None
<b>Monthly Subtotal</b>				<b>\$ -</b>	
<b>Previously Approved Authorizations</b>				<b>\$ 54</b>	
<b>Total Cumulative Authorizations</b>				<b>\$ 54</b>	
<b>Contingency Category: Other</b>					
Authorizations				\$ -	None
<b>Monthly Subtotal</b>				<b>\$ -</b>	
<b>Previously Approved Authorizations</b>				<b>\$ -</b>	
<b>Total Cumulative Authorizations</b>				<b>\$ -</b>	

Code	Item
A	Scope Change
B	Cost Change
C	Unallocated
D	Other