



Finance & Audit Committee Update

California High-Speed Rail Authority Board Meeting

May 12, 2015

Sacramento, CA



FINANCE & AUDIT COMMITTEE

Financial Reporting

- Russell G. Fong, Chief Financial Officer

Audits

- Paula Rivera, Chief Auditor

Project Status

- Scott Jarvis, Chief Engineer

Risk Management

- Jon Tapping, Risk Manager

Financial Reports

- Manage Operational Performance
- Tracks and Monitors Performance and Growth
- Enhances Decision Making Process
- Accurate and Transparent Financial Reporting
- Financial Oversight
- Supports Back Office Operations

Stakeholders

- Holds Management Fiscally Accountable
- Support the Board's Fiduciary Responsibility
- Informs the Public, Interagency Partners, Employees, and Vendors
- Attracts Potential Investors

FINANCE & AUDIT COMMITTEE

ACCOUNTS PAYABLE AGING REPORT

		CA High-Speed Rail Authority Accounts Payable Aging Report May 2015						
Number of calendar days the invoice is past due	1-30 Days	31-60 Days	61-90 Days	91-120 Days	121 Days -1 Year	>1-3 Years	TOTALS	
Regional Consultants ⁽¹⁾ / Project Management Team ⁽²⁾	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Construction / Right of Way ⁽³⁾	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Resource Agencies ⁽⁴⁾	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Third-Party Agreements ⁽⁵⁾	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Administration/Support ⁽⁶⁾	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	

		CA High-Speed Rail Authority Forecast Balance Pending Federal Railroad Administration Approval May 2015						
Number of calendar days the invoice is past due	1-30 Days	31-60 Days	61-90 Days	91-120 Days	121 Days -1 Year	>1-3 Years	TOTALS	
Regional Consultants / Project Management Team	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Construction/Right of Way	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Resource Agencies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Third-Party Agreements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Administration / Support	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	

ACCOUNTS PAYABLE AGING REPORT

May 2014

- Aged invoices 31 days or more
- \$32 million

May 2015

- Aged invoices 31 days or more
- \$0

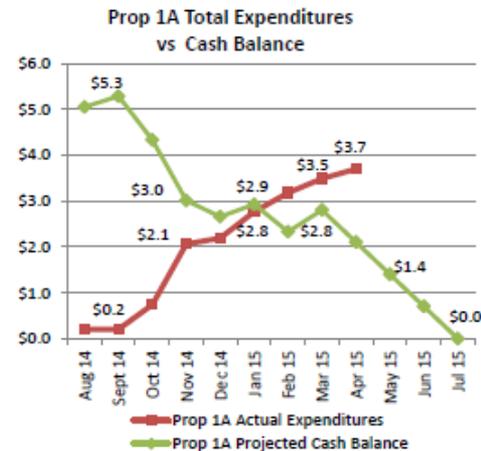
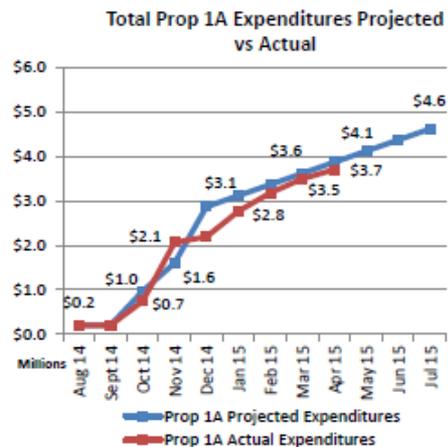
FINANCE & AUDIT COMMITTEE



Prop 1A Bond Fund 6043

Cash Management Report as of April 17, 2015

Description	Status	Total
Support		
Cash balance as of 03/10/15		\$ 2,803,606
Prop 1A Cash Expended Since 03/10/15		\$ (206,410)
Cash In Since 03/10/15		\$ 37,530
PTA Loan Adjustments		\$ (1,094,333)
Pending Cash in From PTA Loan		\$ 2,948,765
Cash balance as of 04/17/15		\$ 4,489,158
Claims in Process As of 04/17/15		
Claims in Process As of 04/17/15		\$ -
Penalty Payments	Projected	\$ -
Phase II Repayment	Projected	\$ -
Phase II	Allocated	\$ (600,000)
Total Cash Balance, Adjusted		\$ 3,889,158
Reimbursements To be Submitted		
FRA Corrections in process		\$ 719,989
Invoices submitted to FRA for reimbursement		\$ -
Reimbursement due from SJRRC		\$ 207,592
Total Outstanding Reimbursements to be Requested		\$ 927,581
Cash Balance Upon Receipt of Reimbursements		\$ 4,816,739



FINANCE & AUDIT COMMITTEE

CASH MANAGEMENT REPORT – Funding Sources

➤ Prop 1A (Cash Management Report)

➤ \$9.0B total

- \$2.6B in Construction/ROW appropriated plus \$4.7B in additional bond availability
- \$377.6M in Planning appropriated
- \$1.1B in Phase 1 Blended appropriated
- \$225M in Support appropriated

➤ Cap & Trade

- FY 2014-15: \$250M
- FY 2015-16: \$400M (one-time) plus Continuous Appropriation of 25% of Auction Proceeds

➤ Federal Funds

- ARRA: \$2.55B (expires 9/30/2017)
- FY10: \$928.6M (expires 12/31/2018)

➤ Public Transportation Account (PTA) Loan

- FY 2014-15: \$29.3M

FINANCE & AUDIT COMMITTEE

Summary of YTD Budget and Expenditures by Program May 2015



Program	Branch Office	Annual Budget	YTD Expenditures (July - March)	% of YTD Expenditures
10	Administration ¹	\$27,326,000		
	Fixed Expenditures:			
	Personnel Services	\$20,009,000	\$13,344,300	66.69%
	Rent (Building and Grounds)	\$1,650,340	\$1,280,620	77.60%
	Contracts ²	\$2,511,070	\$2,348,478	93.52%
	Variable Expenditures:			
	Travel In-State	\$261,430	\$173,647	66.42%
	Travel Out-of-State	\$53,100	\$29,445	55.45%
	Operating (ie office supplies, training, IT)	\$2,841,040	\$1,224,348	43.10%
		\$27,326,000	\$18,401,038	67.34%
20	Program Management Oversight	\$1,000		
	The Program Management Oversight Contract provides support to the Project Delivery Division and operations related to the Initial Construction Section and Design-Build Contracts		\$1,000	100.00%
			\$1,000	100.00%
30	Public Information & Communications	\$500,000		
	The Public Information & Communications Contract provides support to the regional communication efforts including: Strategy Development, Outreach Efforts, Printing Production & Distribution and Logistics Support		\$62,132	12.43%
			\$62,132	12.43%
40	Fiscal & Other External Contracts ³	\$3,750,000		
	The Financial Advisor provides procurement support through the Design-Build process		\$0	0.00%
			\$0	0.00%
	Summary of Budgets	\$31,577,000	\$18,464,170	58.47%
			Percentage of the FY 2014-15 Completed	75.0%
			Percentage of Total Budget Expended YTD FY 2014-15	58.5%
			Percentage of Total Budget Expended YTD FY 2013-14	47.0%

¹ Budget Increase due to Legislative approval of 33 positions (8.8 full time equivalent) and \$2,261,000 in resources for FY 2014-15, per Provision 3 of the Budget Act of 2014

² Includes Caltrans Position Loan Contract and Caltrans Oversight Contract, without Allocation

³ Contract expenditures for Program 40 have been reversed and redirected to Capital Outlay budget, to realign expenditures more closely with budgeted activities

FINANCE & AUDIT COMMITTEE

SUMMARY OF YTD BUDGET & EXPENDITURES REPORT

- **Monitors the State Administrative Budget by Program**
 - Program 10 - Administration: \$27,326,000
 - Fixed: Personnel Services, Rent, Contracts
 - Variable: In-State & Out-of-State Travel
 - Program 20 - Program Management Oversight: \$1,000
 - Program 30 - Public Information & Communications: \$500,000
 - Program 40 - Fiscal & Other External Contracts: \$3,750,000
- **State Administrative Budget: \$31,577,000**
- **Expenditures Year-To-Date May-2015: \$18,464,170**
 - 58.5% of budget for Year-To-Date FY 2014-15 (as compared to 47.0% in FY 2013-14)
 - 75% of the Fiscal Year completed

FINANCE & AUDIT COMMITTEE

CA High-Speed Rail Authority
FY 2014-16
Budget and Expenditure Report
May 2016



Budget Summary

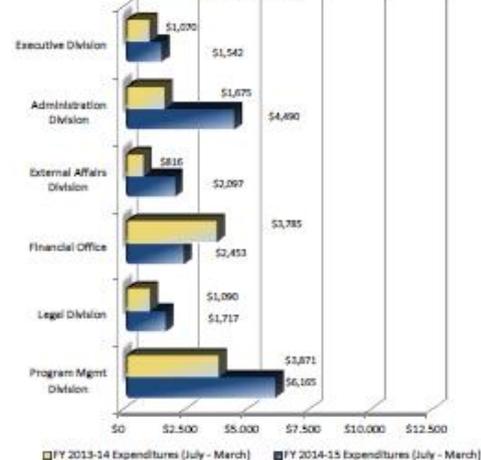
Current Year 2014-16 (Thousands)	FY 2014-16	Prior	YTD	Total	YTD	FY 2014-16	2014-16 YTD
	Total Budget	Month	FY 2014-16	Remaining	% of Budgeted	Forecast	Expenditures & Forecast
	A	Expenditures	Expenditures	Budget	Expenditures	(April - June)	(C + D)
		(March)	(July - March)	(A - C)	(C / A)	D	
Executive Division ¹	\$2,170	\$176	\$1,542	\$628	71.1%	\$639	\$2,181
Administration Division ²	\$7,278	\$909	\$4,490	\$2,788	61.7%	\$1,742	\$6,232
External Affairs Division	\$4,281	\$286	\$2,097	\$2,184	49.0%	\$1,809	\$3,906
Financial Office ^{3,4}	\$7,153	(\$2,200)	\$2,453	\$4,700	34.3%	\$881	\$3,334
Legal Division ⁵	\$2,381	\$177	\$1,717	\$664	72.1%	\$654	\$2,371
Program Management Division ⁶	\$8,314	\$835	\$6,165	\$2,149	74.2%	\$3,446	\$9,511
TOTAL	\$31,577	\$183	\$18,464	\$13,113	58.5%	\$9,171	\$27,635

Prior Year 2013-14 (Thousands)	FY 2013-14	Prior	YTD	Total	YTD	FY 2014-16	2013-14 YTD
	Total Budget	Month	FY 2014-16	Remaining	% of Budgeted	Forecast	Expenditures & Actuals
	A	Expenditures	Expenditures	Budget	Expenditures	(April - June)	(C + D)
		(March)	(July - March)	(A - C)	(C / A)	D	
Executive Division	\$2,000	\$142	\$1,070	\$930	53.5%	\$445	\$1,515
Administration Division	\$6,277	\$245	\$1,675	\$4,602	26.7%	\$3,991	\$5,666
External Affairs Division	\$1,821	\$96	\$816	\$1,005	44.8%	\$743	\$1,559
Financial Office	\$6,971	\$1,233	\$3,785	\$3,186	54.3%	\$2,329	\$6,114
Legal Division	\$2,407	\$604	\$1,090	\$1,317	45.3%	\$1,241	\$2,331
Program Management Division	\$6,723	\$506	\$3,871	\$2,852	57.6%	\$1,483	\$5,354
TOTAL	\$26,199	\$2,626	\$12,307	\$13,892	47.0%	\$10,232	\$22,539

Expenditures vs. Total Budget
FY 2014-15
(July - March)



Comparison of YTD
Expenditures YOY ⁴
(July - March)



BUDGET AND EXPENDITURE REPORT

- Expenditures include actuals and accruals which are monitored and reported on a monthly basis
- Spending to budget for YTD 2014-15 has improved year over year from \$12.3M to \$18.5M YTD Year Over Year
- On track to expend within HSR's appropriation of \$31.6M

FINANCE & AUDIT COMMITTEE



California High-Speed Rail Authority 2014-15 Budget & Expenditure Summary Executive Summary - All Divisions May 2015

Chief Executive Officer
Jeff Morales
and
Chief Deputy Director
Dennis Trujillo

Code Number	Description	FY 2014-15 Total Budget	Prior Month Expenditures (Mar)	YTD Expenditures (July - Mar)	Total Remaining Budget	FY 2014-15 Forecast (April - June)	YTD Expenditures & Forecast
003	Salaries and Wages ¹	\$14,200,000	\$1,109,026	\$9,650,320	\$4,540,680	\$4,591,519	\$14,241,839
	Benefits ²	\$5,809,000	\$463,498	\$3,604,180	\$2,114,820	\$1,856,228	\$5,550,408
	TOTAL PERSONAL SVCS	\$20,009,000	\$1,572,524	\$13,344,500	\$6,664,500	\$6,447,747	\$19,792,247
201	GENERAL OFFICE EXPENSE	\$381,754	\$15,238	\$106,115	\$275,639	\$39,398	\$145,513
239	BOARD COSTS ^{3,4}	\$109,000	\$742	\$11,181	\$97,819	\$11,544	\$22,725
241	PRINTING	\$63,550	\$7,167	\$16,153	\$47,397	\$1,272	\$17,425
251	COMMUNICATIONS	\$131,000	\$16,158	\$74,507	\$56,493	\$1,353	\$75,860
261	POSTAGE	\$17,000	\$2,935	\$15,507	\$1,493	\$3,321	\$18,828
291	TRAVEL, IN-STATE	\$261,450	\$20,978	\$173,647	\$87,803	\$49,899	\$223,546
311	TRAVEL, OUT-OF-STATE	\$53,100	\$0	\$29,445	\$23,655	\$15,804	\$45,249
331	TRAINING	\$153,600	\$3,680	\$20,345	\$133,255	\$14,445	\$34,790
343	RENT - BUILDING AND GROUNDS	\$1,850,340	\$115,822	\$1,280,620	\$369,720	\$360,999	\$1,641,619
382	INTERDEPARTMENTAL CONTRACTS	\$2,489,313	\$358,702	\$2,335,049	\$154,264	\$1,403,025	\$3,738,074
402	EXTERNAL CONTRACTS ⁵	\$4,271,757	(\$2,433,034)	\$75,561	\$4,196,196	\$448,881	\$524,442
428	CONSOLIDATED DATA CENTERS	\$406,500	\$0	\$139,584	\$266,916	\$45,312	\$184,896
431	DATA PROCESSING	\$1,579,636	\$500,376	\$841,956	\$737,680	\$327,516	\$1,169,472
	TOTAL OP EXP & EQUIP	\$11,568,000	(\$1,391,236)	\$5,119,670	\$6,448,330	\$2,722,769	\$7,842,439
	TOTALS	\$31,577,000	\$181,288	\$18,464,170	\$13,112,830	\$9,170,516	\$27,634,686

Percentage of Personal Services Budget Expended 67%

Percentage of Operating Expenses & Equipment Budget Expended 44%

Percentage of Total Budget Expended 58%

Percentage of the Fiscal Year Completed 75%

BUDGET AND EXPENDITURE SUMMARY

- An increase in salary and benefits has been offset by personnel vacancies for Year-To-Date FY 2014-15
- Projected consolidated data center and data processing costs have been (\$1M) lower than expected
- Financial Advisor expenditures of \$2.5M have been reallocated to the Capital Outlay Budget

FINANCE & AUDIT COMMITTEE



California High-Speed Rail Authority Position Summary and Vacancy Report Executive Summary Report May 2015

Chief Executive Officer
Jeff Morales
and
Chief Deputy Director
Dennis Trujillo

	Alloted		Revised					YTD Expenditures (Jul - Mar)
	Total Positions Authorized	Budget Act	Total Positions Authorized	Total Vacant Positions	Prior Month Vacant Positions	Total Vacancy Rate	Prior Month Vacancy Rate	
All Divisions								
Executive Office	16.0	\$1,514,185	16.0	4.0	4.0	25.0%	25.0%	\$1,092,911
Administration Office	26.0	\$1,741,465	26.0	4.0	3.0	15.4%	11.5%	\$1,280,459
External Affairs Office	43.0	\$2,560,447	43.0	24.0	24.0	55.8%	55.8%	\$1,467,949
Financial Office	42.0	\$2,284,695	42.0	6.5	5.5	15.5%	13.1%	\$1,685,565
Legal Office	6.0	\$593,976	6.0	0.0	0.0	0.0%	0.0%	\$448,039
Program Management Office	76.0	\$5,505,232	76.0	26.0	26.0	34.2%	34.2%	\$3,675,397
Total	209.0	\$14,200,000	209.0	64.5	62.5	30.9%	29.9%	\$9,650,320
	<u>209.0</u>		<u>209.0</u>	<u>64.5</u>	<u>62.5</u>	<u>30.9%</u>	<u>29.9%</u>	Balance \$4,549,680

POSITION SUMMARY AND VACANCY REPORT

- HSR has 209 authorized positions at May-2015 compared to 174 authorized positions at May-2014
- 35 new positions were established in March-2015
- Current vacancy rate is 30.9% (64.5 vacant positions) for April-2015
- Vacancy rate was 13.5% before the 35 new positions
- 47.5 vacant positions are in the process of being filled

FINANCE & AUDIT COMMITTEE

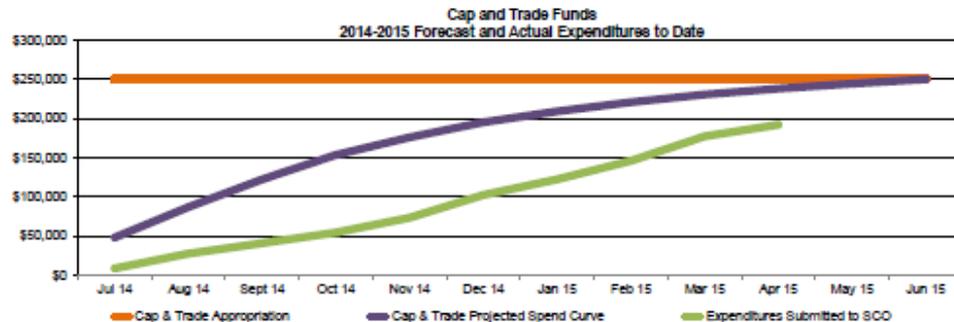
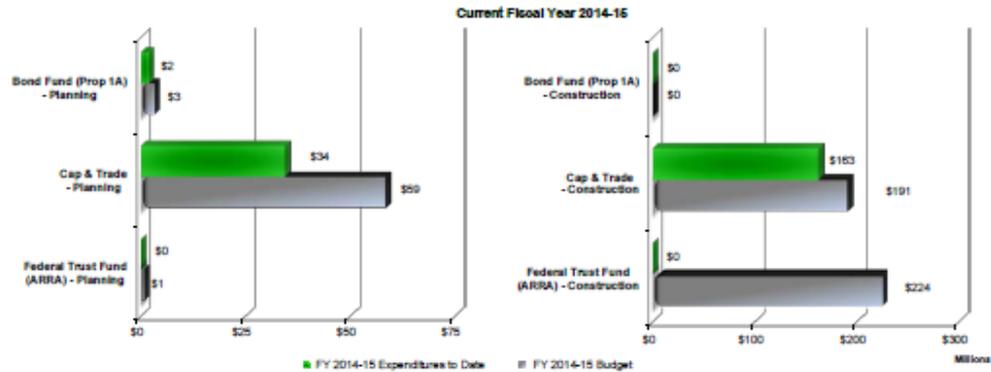
CA High-Speed Rail Authority
 FY 2014-15
 Capital Outlay and Expenditure Report
 May 2015



Budget Summary

Data as of March 31, 2015

FY 2014-15	Notes	Appropriation 1 (A)	FY 2014-15 Budget 2 (B)	FY 2014-15 Monthly Expenditures 3,4 (C)	FY 2014-15 Expenditures to Date 4,5 (D)	% Expended (E) = (D / B)	FY 2014-15 Remaining Balance (F) = (B - D)	FY 2014-15 Forecast (G)
Bond Fund (Prop 1A) - Planning	7	\$377,577,500	\$3,334,366	\$216,541	\$1,900,383	57%	\$1,433,983	\$3,334,366
Cap & Trade - Planning		\$58,586,000	\$58,586,000	\$1,090,270	\$34,480,765	59%	\$24,095,235	\$58,586,000
Federal Trust Fund (ARRA) - Planning		\$315,615,000	\$714,177	\$0	\$0	0%	\$714,177	\$714,177
PLANNING SUBTOTAL		\$751,778,500	\$62,634,543	\$2,306,811	\$36,381,148	58%	\$26,243,374	\$62,634,543
Bond Fund (Prop 1A) - Construction		\$2,800,076,000	\$0	\$0	\$0	0%	\$0	\$0
Cap & Trade - Construction		\$191,414,000	\$191,414,000	\$23,086,766	\$163,281,485	85%	\$28,132,515	\$191,414,000
Federal Trust Fund (ARRA/FY10) - Construction		\$3,240,676,000	\$224,488,482	\$0	\$0	0%	\$224,488,482	\$224,488,482
CONSTRUCTION SUBTOTAL		\$6,041,166,000	\$415,902,482	\$23,086,766	\$163,281,485	39%	\$252,621,007	\$415,902,482
TOTAL		\$6,792,944,500	\$478,537,025	\$25,393,577	\$199,672,654	42%	\$278,864,381	\$478,537,025



Month	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Total
Cap & Trade Projected Spend Curve	\$48,000	\$36,756	\$36,434	\$31,093	\$22,587	\$19,083	\$13,924	\$11,867	\$9,924	\$7,424	\$6,256	\$5,820	\$250,000
Expenditures Submitted to SGO ⁶	\$6,348	\$19,005	\$13,254	\$13,677	\$18,730	\$26,273	\$19,672	\$23,969	\$31,335	\$14,730			\$191,640

FINANCE & AUDIT COMMITTEE

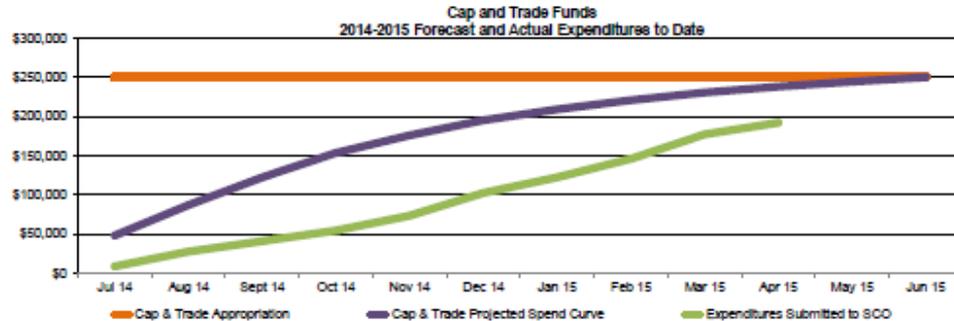
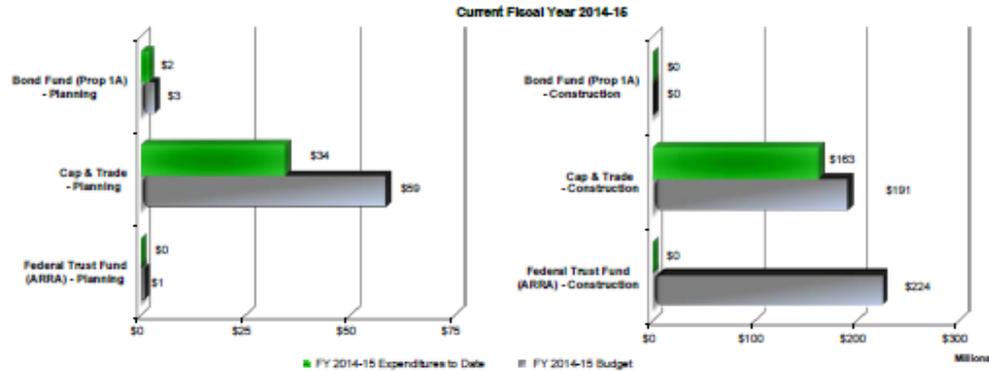
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Budget Summary

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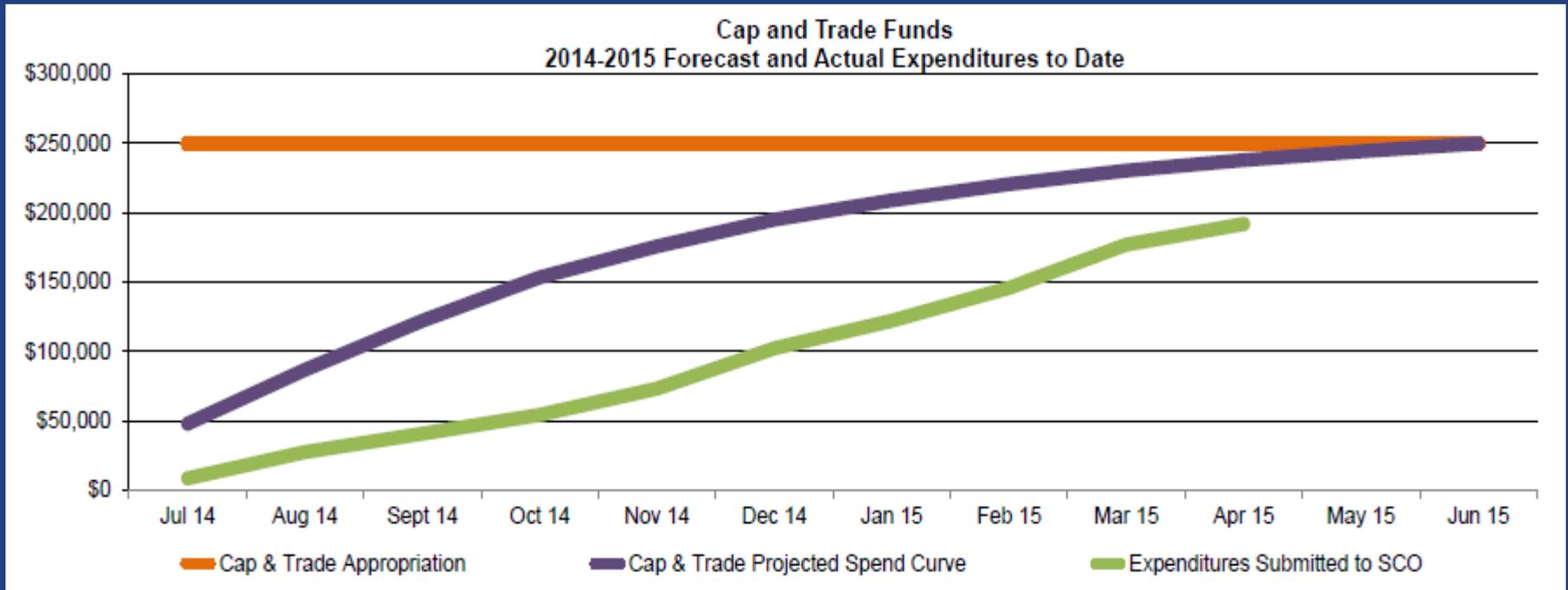
FY 2014-15	Notes	Appropriation ¹ (A)	FY 2014-15 Budget ² (B)	FY 2014-15 Monthly Expenditures ^{3,4} (C)	FY 2014-15 Expenditures to Date ^{4,5} (D)	% Expended (E) = (D / B)	FY 2014-15 Remaining Balance (F) = (B - D)	FY 2014-15 Forecast (G)
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Cap & Trade - Planning		\$58,586,000	\$58,586,000	\$1,090,270	\$34,480,765	59%	\$24,095,235	\$58,586,000
Federal Trust Fund (ARRA) - Planning		\$315,615,000	\$714,177	\$0	\$0	0%	\$714,177	\$714,177
PLANNING SUBTOTAL		\$751,778,500	\$62,634,543	\$2,306,811	\$36,381,148	58%	\$26,243,374	\$62,634,543
Bond Fund (Prop 1A) - Construction		\$2,800,076,000	\$0	\$0	\$0	0%	\$0	\$0
Cap & Trade - Construction		\$191,414,000	\$191,414,000	\$23,086,766	\$163,281,485	85%	\$28,132,515	\$191,414,000
Federal Trust Fund (ARRA/FY10) - Construction		\$3,240,676,000	\$224,488,482	\$0	\$0	0%	\$224,488,482	\$224,488,482
CONSTRUCTION SUBTOTAL		\$6,041,166,000	\$415,902,482	\$23,086,766	\$163,281,485	39%	\$252,621,007	\$415,902,482
TOTAL		\$6,792,944,500	\$478,537,025	\$25,393,577	\$199,672,654	42%	\$278,864,381	\$478,537,025



Month	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Total
Cap & Trade Projected Spend Curve	\$48,000	\$36,756	\$36,434	\$31,093	\$22,587	\$19,083	\$13,924	\$11,867	\$9,924	\$7,424	\$6,256	\$5,820	\$250,000
Expenditures Submitted to SGO ⁶	\$6,348	\$19,005	\$13,254	\$13,677	\$18,730	\$26,273	\$19,672	\$23,969	\$31,335	\$14,730			\$191,640

FINANCE & AUDIT COMMITTEE

CAP AND TRADE – Spend Curve



CAPITAL OUTLAY AND EXPENDITURE REPORTS

- **Monitors the Capital Outlay Budget by Fund**
 - **Current Year 2014-15 Budget : \$478,537,035 (page 1)**
 - **Program To Date Budget: \$6,472,697,124 (page 2)**
 - **Funds - Total Program Budget (FY 2014-15 Budget):**
 - **Planning – State & Federal: Total \$749,944,662 (FY 2014-15: \$62,634,543)**
 - **Construction – State & Federal: Total \$5,722,752,462 (FY 2014-15: \$415,902,492)**
 - **Detailed Breakdown: Total Budget (FY 2014-15 Budget)**
 - **Bond – Planning & Preliminary Engineering: Total \$377,577,500 (FY 2014-15: \$3,334,366)**
 - **Bond – Construction: Total \$2,563,197,231 (FY 2014-15: \$0)**
 - **Federal Trust – Planning & Preliminary Engineering: Total \$313,781,162 (FY 2014-15: \$714,177)**
 - **Federal Trust – Construction: Total \$2,968,141,232 (FY 2014-15: \$224,488,492)**
 - **Cap & Trade – Planning & Preliminary Engineering: Total \$58,586,000 (FY 2014-15: \$58,586,000)**
 - **Cap & Trade – Construction: Total \$191,414,000 (FY 2014-15: \$191,414,000)**

CAPITAL OUTLAY AND EXPENDITURE REPORTS

- **Monitors the Capital Outlay Budget by Fund**
 - **Current Year 2014-15 Budget : 42% (page 1)**
 - **Program To Date Budget: 14% (page 2)**
 - **Funds: % of Total Program Expended (FY 2014-15 Expended)**
 - **Planning – State & Federal: 63% (FY 2014-15: 58%)**
 - **Construction – State & Federal: 7% (FY 2014-15: 39%)**
 - **Detailed Breakdown: % of Total Program Expended (FY 2014-15 Expended)**
 - **Bond – Planning & Preliminary Engineering: 43% (FY 2014-15: 57%)**
 - **Bond – Construction: 0% (FY 2014-15: 0%)**
 - **Cap & Trade – Planning & Preliminary Engineering: 59% (FY 2014-15: 59%)**
 - **Cap & Trade – Construction: 85% (FY 2014-15: 85%)**
 - **Federal Trust – Planning & Preliminary Engineering: 88% (FY 2014-15: 0%)**
 - **Federal Trust – Construction: 9% (FY 2014-15: 0%)**

FINANCE & AUDIT COMMITTEE



Total Project Expenditures with Forecasts

Project Management Team (PMT) & Regional Consultants (RC) Expenditures by Fiscal Year ¹												
Section	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Mar YTD 14-15 ²	Forecast 14-15 ^{2,4}	Total 14-15 ⁴	Total
Program Management (PB)	\$2,927,356	\$7,231,174	\$10,574,319	\$23,799,906	\$38,566,822	\$40,739,275	\$49,121,127	\$57,023,622	\$31,965,802	\$24,517,182	\$56,482,984	\$288,466,585
San Francisco - San Jose (HNTB) ⁴			\$1,927,390	\$19,709,784	\$19,973,276	\$3,358,502	\$333,940	\$34,021	\$0	\$1,500,000	\$1,500,000	\$46,876,913
San Jose - Merced (Parsons) ⁴			\$954,203	\$14,636,747	\$18,319,746	\$10,615,801	\$11,033,030	\$5,696,519	\$4,622,924	\$2,877,076	\$7,500,000	\$68,776,046
Merced - Fresno (AECOM)	\$314,423	\$316,872	\$1,377,563	\$8,907,194	\$16,472,035	\$18,387,143	\$13,196,099	\$7,182,062	\$366,531	\$3,469	\$370,000	\$66,523,393
Fresno - Bakersfield (U-H-A)	\$1,063,000	\$333,561	\$3,275,511	\$16,446,385	\$23,409,664	\$27,432,894	\$22,050,463	\$23,198,479	\$4,608,665	\$491,335	\$5,100,000	\$126,529,957
Bakersfield - Palmdale (U-H-A) ⁴				\$4,243,773	\$2,440,738	\$6,899,997	\$10,887,860					\$26,046,990
Bakersfield - Palmdale (TYLin) ⁴								\$1,610,308	\$4,004,849	\$2,373,151	\$6,378,000	\$7,988,508
Palmdale - Los Angeles (H-U-A)	\$2,219,372	\$1,374,066	\$2,708,847	\$14,097,516	\$14,876,997	\$10,338,093	\$8,336,909	\$5,863,770	\$8,646,741	\$3,354,098	\$12,000,839	\$71,616,409
Los Angeles - Anaheim (STV)	\$1,917,686	\$3,899,813	\$4,499,175	\$12,680,671	\$7,079,499	\$3,093,191	\$2,267,794	\$1,905,365	\$1,522,151	\$2,868,849	\$4,391,000	\$41,734,194
Los Angeles - San Diego (HNTB)	\$886,140	\$439,659	\$1,749,849	\$2,844,947	\$3,064,396	\$677,619	\$1,615,757	\$269,108				\$11,547,475
Los Angeles - San Diego (CH2M Hill) ⁴								\$225,382	\$392,661	\$472,281	\$864,942	\$1,090,324
Sacramento - Merced (AECOM) ⁴				\$796,573	\$1,814,471	\$2,682,564	\$1,371,768	\$447,941				\$7,113,317
Sacramento - Merced (Precision) ⁴									\$277,173	\$379,937	\$657,130	\$657,130
Altamont (AECOM) ⁴			\$505,697	\$1,816,370	\$1,487,962	\$1,498,882	\$1,033,902	\$1,400,295	\$1,032,693	\$73,304	\$1,105,997	\$9,849,105
Totals	\$ 9,327,977	\$ 13,795,145	\$ 27,572,556	\$ 121,999,866	\$ 150,505,626	\$ 125,743,963	\$ 121,268,649	\$ 108,451,674	\$ 57,440,192	\$ 38,910,700	\$ 96,350,892	\$ 775,016,347

Italics = forecast

Administrative Budget												
Program	2006-07 ¹	2007-08 ¹	2008-09 ^{2,5}	2009-10 ²	2010-11	2011-12	2012-13 ⁶	2013-14 ³	Mar YTD 14-15	Forecast 14-15	Total 14-15 ⁴	Total
10 - Administration			\$ 1,778,071	\$ 3,276,931	\$ 5,556,204	\$ 7,496,036	\$ 10,470,638	\$18,287,299	\$18,401,038	\$8,732,648	\$27,133,686	\$ 73,998,885
20 - Program Management Oversight						\$ 3,000,000	\$ 3,224,126	\$1,000	\$1,000	\$0	\$1,000	\$ 6,226,126
30 - Public Information & Communications					\$ 1,794,474	\$ 1,833,150	\$ 95,440	\$500,000	\$62,132	\$437,868	\$500,000	\$ 4,725,063
40 - Fiscal & Other External Contracts					\$ 8,398,236	\$ 1,995,888	\$ 7,348,565	\$3,750,000	\$0	\$0	\$0	\$ 21,492,689
Totals	\$ -	\$ -	\$ 1,778,071	\$ 3,276,931	\$ 15,748,914	\$ 14,327,073	\$ 21,138,788	\$ 22,538,299	\$ 18,464,170	\$ 9,170,516	\$ 27,634,686	\$ 106,442,763

Italics = forecast

Construction and other Program Costs												
Program	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Mar YTD 14-15	Forecast 14-15	Total 14-15	Total
Resource Agencies for Environmental ¹	\$ 22,550	\$ 240,921	\$ 38,085	\$ 14,239	\$ 3,797,347	\$ 4,508,947	\$ 3,096,886	\$ 1,747,910	\$ 164,190	\$ 3,243,452	\$ 3,407,642	\$ 16,894,529
Legal ¹	\$ 492,596	\$ 719,880	\$ 790,611	\$ 3,467,697	\$ 653,133	\$ 297,333	\$ 4,821,244	\$ 5,783,290	\$ 3,238,034	\$ 529,613	\$ 3,767,647	\$ 20,793,429
Station Area Planning ¹									\$ -	\$ 914,177	\$ 914,177	\$ 914,177
Southern California Improvements / LAUS ¹									\$ -	\$ -	\$ -	\$ -
SWCAP					\$ 699,952	\$ -	\$ -	\$ 17,920	\$ -	\$ -	\$ -	\$ 677,872
Project Construction Management ^{6,8}							\$ 55,748	\$ 4,713,325	\$ 4,612,551	\$ 3,317,678	\$ 7,930,228	\$ 12,699,301
ROW Support Firms ⁵							\$ 781,250	\$ 13,023,535	\$ 3,781,715	\$ 2,675,812	\$ 6,457,527	\$ 20,262,312
ROW Acquisition ^{6,8}							\$ -	\$ 60,162,447	\$ 62,449,950	\$ 107,643,557	\$ 170,095,507	\$ 230,257,935
Construction D-B, CP-1 ^{6,8,9}								\$ 82,267,382	\$ 67,986,023	\$ 95,678,833	\$ 163,664,856	\$ 245,932,238
Construction CP2-3, CP4 ^{6,8}										\$ 25,948,559	\$ 25,948,559	\$ 25,948,559
Totals	\$ 515,146	\$ 960,801	\$ 848,696	\$ 3,481,936	\$ 5,110,432	\$ 4,806,280	\$ 8,755,128	\$ 167,715,809	\$ 142,232,462	\$ 239,953,681	\$ 382,186,143	\$ 574,380,371

Italics = forecast

Program Total												
Program	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Mar YTD 14-15	Forecast 14-15	Total 14-15	Total
PMT, RC, Administrative, Construction Subtotal	\$ 9,843,123	\$ 14,755,946	\$ 30,199,323	\$ 128,758,733	\$ 171,364,973	\$ 144,877,316	\$ 151,162,565	\$ 298,705,781	\$ 218,136,824	\$ 288,034,897	\$ 506,171,721	\$ 1,455,839,481
Cumulative Total Expenditures	\$ 9,843,123	\$ 24,599,069	\$ 54,798,392	\$ 183,557,125	\$ 354,922,098	\$ 499,799,414	\$ 650,961,979	\$ 949,667,761	\$ 1,167,804,585			

Program Total by Fund Type ¹	
	2006-2014
State Funds ⁸	\$ 664
Federal Funds ⁸	\$ 504
TOTAL	\$ 1,168

State Match to ARRA (\$ millions) ^{1,4}	
FY10-FY13 ⁸	\$ 102
FY14 (current)	\$ 198
TOTAL (to date)⁸	\$ 300

TOTAL PROJECT EXPENDITURES WITH FORECAST

- For HSR, FY 2013-14 marked the beginning of ROW land acquisition (\$60M) and construction (\$82M) activities. Those activities continue and increase as planned in FY 2014-15. The administrative budget increases to support the additional level of activities
- Planning and design costs, represented by Program Management and Regional Consultant costs of \$108M in FY 2013-14, are forecast to decline to \$96M in FY 2014-15
- Construction and Other Program costs of \$168M in FY 2013-14 are forecast to increase to \$382M for FY 2014-15
- The Administrative Budget of \$22M in FY 2013-14 increased to \$31.6M in FY 2014-15

FINANCE & AUDIT COMMITTEE



CA High-Speed Rail Authority Contracts & Expenditures Report May 2015

Vendor / Contractor Name	Small Business Utilization	Contract Amount	Encumbered Amount	Actual Expenditures	Balance	Forecasted Expenditures (thru contract term)	Description of Service
AbleGov*	100.00%	\$422.00	\$0.00	\$0.00	\$422.00	\$422.00	Adobe licenses
AbleGov*	100.00%	\$3,645.23	\$0.00	\$0.00	\$3,645.23	\$3,645.23	projectors and mounting equipment for conference rooms.
AbleGov*	100.00%	\$16,164.38	\$0.00	\$0.00	\$16,164.38	\$16,164.38	Server equipment LA Regional Office
AbleGov*		\$1,198.28	\$0.00	\$0.00	\$1,198.28	\$1,198.28	Tax for DGS PO
AECOM + DMUM Altamont Corridor		\$55,000,000.00	\$0.00	\$9,270,104.76	\$45,729,895.24		Developing engineering, planning and environmental data
AECOM + DMUM Altamont Corridor		\$0.00	\$0.00	\$0.00	\$0.00		Amend #1-revise Scope of Work
AECOM + DMUM Altamont Corridor #2	11.23%	\$0.00	\$0.00	\$0.00	\$0.00		Amend #2-revise Scope of Work
		\$55,000,000.00	\$0.00	\$9,270,104.76	\$45,729,895.24	\$9,743,108.00	
AECOM USA, Inc.		\$83,400,000.00	\$0.00	\$72,355,273.09	\$11,044,726.91		Preliminary engineering and project-specific environmental work
AECOM USA, Inc.		\$0.00	\$0.00	\$0.00	\$0.00		Amend #1-revise Scope of Work
AECOM USA, Inc.		\$0.00	\$0.00	\$0.00	\$0.00		Amend #2-Change of contractor name
AECOM USA, Inc.		\$0.00	\$0.00	\$0.00	\$0.00		Amend #3-extend contract term; revise Scope of Work
AECOM USA, Inc. #4	18.70%	\$0.00	\$0.00	\$0.00	\$0.00		Amend #4-extend contract term; revise Scope of Work
		\$83,400,000.00	\$0.00	\$72,355,273.09	\$11,044,726.91	\$72,355,273.09	
Akin Gump Strauss Hauer & Feld, LLP	0.00%	\$852,500.00	\$33,158.35	\$226,841.65	\$625,658.35		Legal services experienced w/ congressional investigation process
Akin Gump Strauss Hauer & Feld, LLP		\$0.00	\$0.00	\$0.00	\$0.00		Amend #1-extend contract term; revise Scope of Work
		\$852,500.00	\$33,158.35	\$226,841.65	\$625,658.35	\$500,000.00	
Alliant Insurance Services Inc. Construction Services Group	0.00%	\$1,056,053.00	\$0.00	\$0.00	\$1,056,053.00	\$1,056,053.00	Insurance broker and administrative services for first construction segment.
Allied Network Solutions*	100.00%	\$1,605.80	\$0.00	\$0.00	\$1,605.80	\$1,605.80	Desktop scanners for outreach
Alpaugh Irrigation District		\$130,100.00	\$0.00	\$0.00	\$130,100.00	\$130,100.00	Review conflicts with utilities
American Public Transportation Association*		\$560.00	\$0.00	\$0.00	\$560.00	\$560.00	Membership dues.

FINANCE & AUDIT COMMITTEE

Small Business (SB) Utilization

- The small business utilization rate of 17.98% reflects invoices received to date since the award of the contracts or amendments requiring 30% SB utilization
- The design builder Tutor Perini/Zachry/Parsons (\$1B contract, \$118M expended, current 8.65% SB utilization) is in the early stages of the contract with SB utilization expected to rise materially as the project progresses
- Utilization will increase as construction moves forward

SMALL BUSINESS (SB) UTILIZATION PROGRESS

Invoices (eligible) total	\$374.8M
SB \$ subtotal actual	\$67.4M

FINANCE & AUDIT COMMITTEE

California High-Speed Rail Authority Projects & Initiatives Report May 2015

Projects	Division	Upcoming Milestones	Start Date	End Date	Timeline Rating	Timeline Trend	Budget Rating	Budget Trend
Hiring and Staffing for Fiscal Year 2013/14 Positions	Authority Mahsa Patton	An aggressive recruitment plan is in place to fill the vacant positions. To date, 91 of the 106.5 positions that were authorized in FY 2013-14 have been filled. It is estimated that an additional 12.5 positions will be finalized in the next several months. In addition, 35 new positions were recently authorized in FY 2014-15 and are currently under recruitment.	8/1/2013	10/31/2014 6/30/2015	■	↑	■	↔
Financial System	Fiscal Services Russell Fong	Resources have been diverted to the implementation of Fi\$CAL (statewide accounting, budgeting, contracting, and procurement financial system) to eliminate overlapping of system functions. Once Fi\$CAL becomes operational (projected July 2015) we will resume the Financial System initiative.	6/1/2013	10/1/2014	★	↔	★	↔
ROWMIS (Right of Way Management Information System)	Program Management Don Grebe	Current beta testing of Quickbase an Intuit software. The Department of General Services (DGS) Bid has been extended to allow for additional negotiations with vendor. Authority Legal had minor comments (modifications) about the scope of work and provided them to DGS Legal for approval. Negotiations are still active between DGS Legal and vendor.	7/31/2013	10/01/2014 4/30/2015	■	↑	■	↔

■ Satisfactory, no corrective action
 ◆ Caution, need for corrective action now or soon
 ● Escalate, immediate corrective action required
 ★ On hold
↔ No Change
↑ Increasing
↓ Decreasing

PROJECTS AND INITIATIVES REPORT

Total # of Projects: 8

Status Update:

 Satisfactory, no corrective action: 6

 Caution, need for corrective action now or soon: 1

➤ Long-term leased vehicles (Program Management)

 On hold: 1

➤ Financial System (Financial Office)

 Escalate, immediate corrective action required: 0

Audits

REPORTS ISSUED – THIRD QUARTER

Contract Management

- Are contracts managed effectively and in accordance with Authority policies and procedures?
 - Structured contract management process not fully implemented
 - Contract management responsibilities not always coordinated when divided among multiple parties
 - Contract management activities not always documented
- Corrective actions:
 - Established contract policies and procedures, including development of contract performance standards
 - Trainings revised to include more information on contract monitoring, documenting roles, responsibilities and communication paths, and requirements for appropriate contract documentation

REPORTS ISSUED – THIRD QUARTER

Preaward Reviews

- Are contractor proposed costs reasonable and in accordance with federal regulations?
 - Findings included misstated labor, overhead, and other direct cost rates
 - Findings were addressed prior to contract execution
 - Regional Consultant – Burbank to Anaheim, \$51M, issued March 2, 2015
 - Regional Consultant – Palmdale to Burbank, \$56M, issued April 2, 2015

IN PROGRESS AUDITS

Procurement Process

- Assess efficiency and effectiveness of existing process
 - Goods and Information Technology services
 - Compliance with rules, regulations, policies

Prompt Payment Follow Up Review

- Were prior findings addressed and corrective actions implemented?
 - Significant effort in Fall 2014 to review prior fiscal year payments to determine penalties due
 - Was universe complete?
 - Were penalty payments accurate?

IN PROGRESS AUDITS

Right of Way Process Audit

- Is the acquisition process adequate to acquire the necessary right of way?

Preaward Reviews

- Are contractor proposed costs reasonable and in accordance with federal regulations?
 - Rail Development Partner
 - Subsidence

UPCOMING AUDITS

Design-Build

- Are Authority management practices consistent with design-build risk model?

Small Business Follow Up Review

- Were findings addressed and corrective actions implemented?

Contract Management Follow Up Audit

- Were findings addressed and corrective actions implemented?
- 100% of contract managers will be audited

Project Status

FIRST CONSTRUCTION SEGMENT UPDATE

CP 1

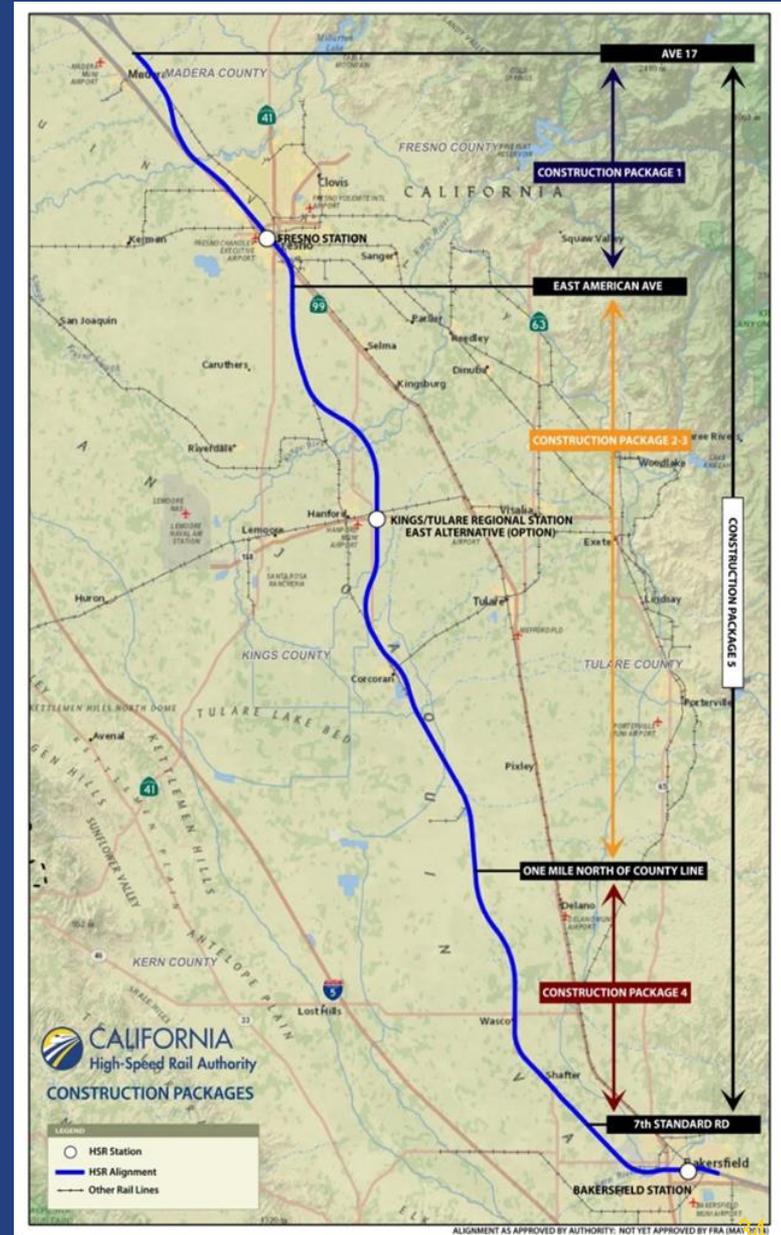
- PCM contract executed in May 2013, approximately \$34 million
- Design-Build contract executed in August 2013, approximately \$1 billion
- Construction started

CP 2-3

- PCM contract executed in November 2014, approximately \$71 million
- Design-Build contract execution expected by Spring 2015, approximately \$1.4 billion

CP 4

- Issued RFP for Design-Build contract in November 2014
- RFP for Design-Build contract projected in May 2015
- PCM selection in Summer 2015



PROGRAM CONTROL DOCUMENTS: STATUS REPORTING REQUIREMENTS

PERFORMANCE STATUS REPORTING

MONTHLY STATUS REPORTS

PERFORMANCE METRICS

ROW ACQUISITION STATUS

PROP 1A REQUIREMENTS

- Achieve specific characteristics (speed, service, stations...)
- Funding source and utilization
- Operational viability

SB 1029 REQUIREMENTS

- Biannual Project Update Reports
 - Summary of Progress
 - Baseline Budget for Project Phase Costs
 - Current and Projected Budget
 - Expenditures by Date
 - Comparison of Current and Projected Work
 - Summary of Milestones
 - Issues and Actions Taken

2014 BUSINESS PLAN

- Risk Management Plan (assess and critique)
 - Scope and Quality (including Safety)
 - Schedule

MONITORING PERFORMANCE OF CONSTRUCTION PACKAGES

Four Performance Status Reports

- CP 1 Monthly Status Report
- CP 1 Performance Metrics
- ROW Acquisition Status
- SR 99 Performance Metrics

CP1 MONTHLY STATUS REPORT

Purpose

- Comply with requirements of SB 1029 (progress, schedule, budget)
- Measure status of key performance indicators

Quantitative Analysis

- Schedule Milestones, Financial Status, Contract Time Status, Change Orders, Expended to Date, % Growth

Qualitative Information

- Scheduled Activities, Key Topics, Key Work Accomplished, Pending Changes

CP 1 PERFORMANCE METRICS

Purpose

- Measure industry standard performance objectives (cost, schedule & quality) for project management
- Measure performance objectives of high priority areas (safety & economic benefits)

5 Key Performance Metric Areas

- Safety, Cost, Schedule, Quality, Economic Benefits

9 Individual Performance Metrics

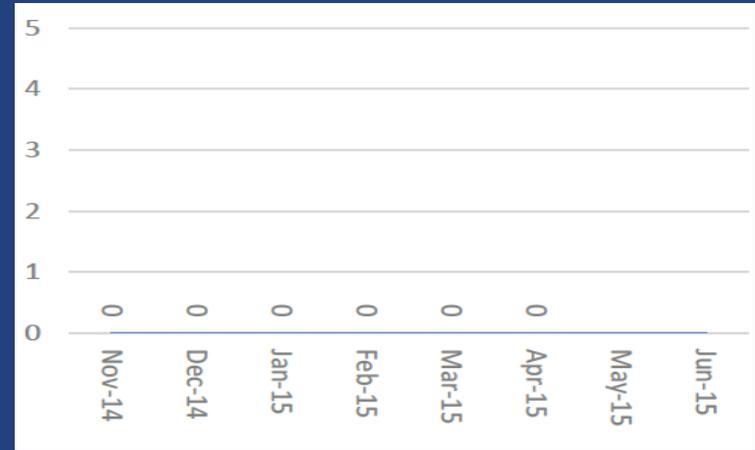
- **Safety:** Authority Incident Rate, Contractor Incident Rate
- **Cost:** Design & Construction Support, Contingency
- **Schedule:** Schedule Performance Index
- **Quality:** Construction Non-Conformance Report Rate
- **Economic Benefits:** All National Targeted Workers, Disadvantaged/Small Business Enterprises, Disadvantaged Workers

SAFETY

Authority Safety Incident Rate **Green**



Benchmark: U.S Bureau of Labor Statistics



Contractor Safety Incident Rate **Green**



Benchmark: U.S Bureau of Labor Statistics



➤ Not yet indicative of trend

COST

Design & Construction Support Cost

Red



Benchmark: Transit Cooperative Research Program (TCRP) Report 138



- Due to the delay in starting substantial construction activities, the DB invoiced amount to date is lagging behind what was planned against a fairly flat design and construction support cost.
- Metric will improve once the Contractor starts construction and the value of their monthly invoices increases. Continued advancement of the deliverables necessary to commence substantial construction will increase the value of the Contractor's work and subsequently this metric will improve.
- Not yet indicative of a trend

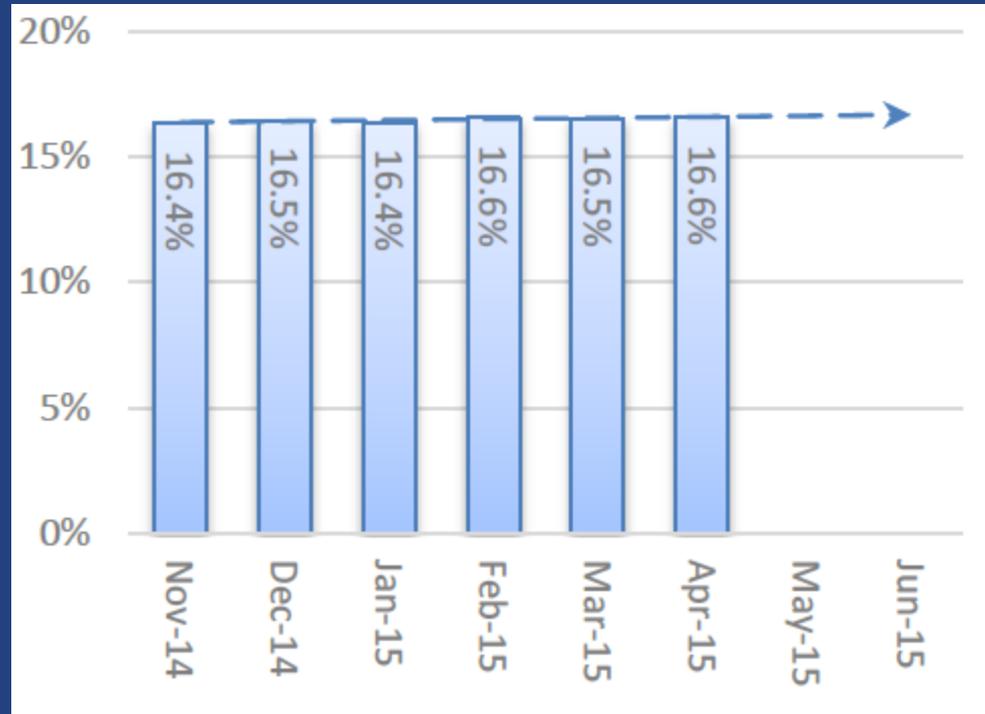
COST (CONTINUED)

Contingency

Green



Benchmark: Federal Transit Authority



➤ Not yet indicative of trend

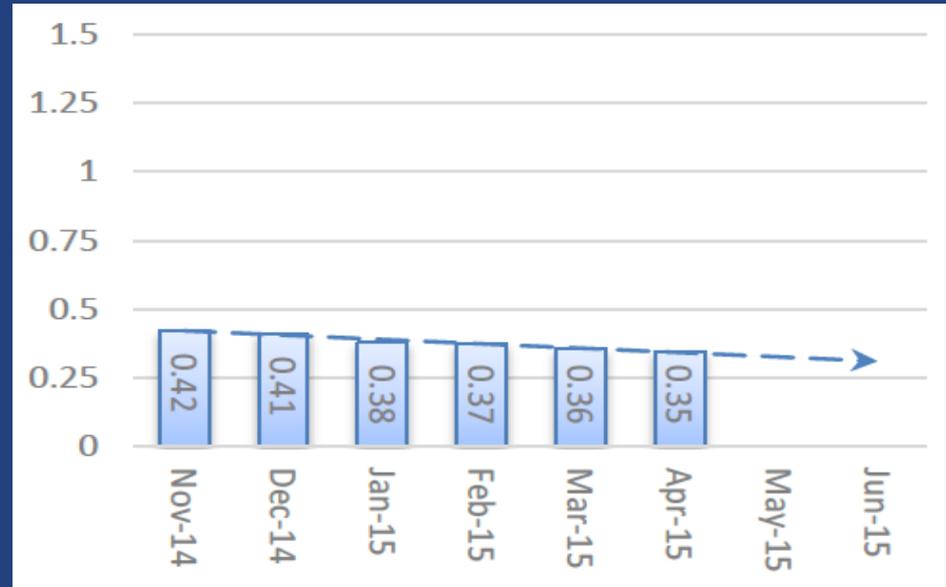
SCHEDULE

Schedule Performance Index (SPI)

Red



Benchmark: PMI (Project Management Institute, World Wide)



- Performance due to DB contractor's earned value vs planned value
- Contractor's earned value amount is driven primarily by construction activity
- Continued advancement of the deliverables necessary to commence substantial construction will increase the value of the Contractor's work and subsequently this metric will improve.
- Not yet indicative of trend

QUALITY

Construction Non-Conformance Report **Green**



Benchmark: Standard Key Performance Indicator for Heavy & Civil Engineering Construction



ECONOMIC BENEFITS

Disadvantaged/Small Business Enterprise **Green**



Benchmark: Community Benefits Policy (POLI-SB-01)

➤ Not yet indicative of trend



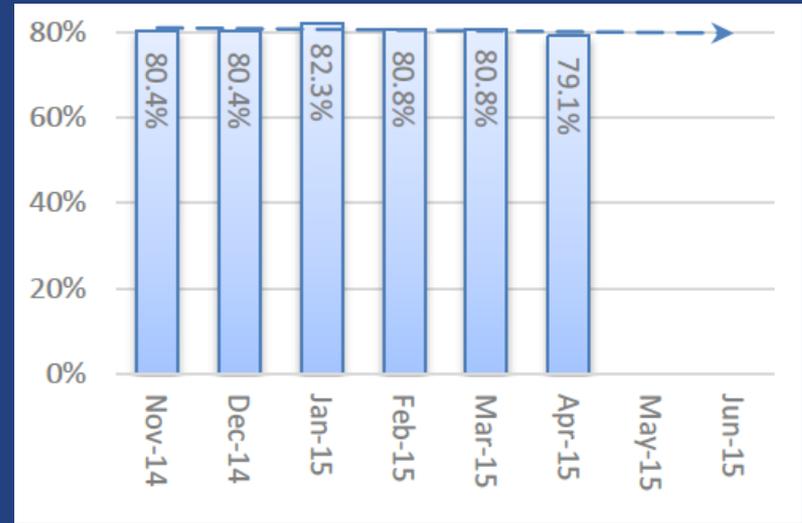
ECONOMIC BENEFITS (CONTINUED)

All National Targeted Workers

Green



Benchmark: Community Benefits Policy (POLI-SB-01)

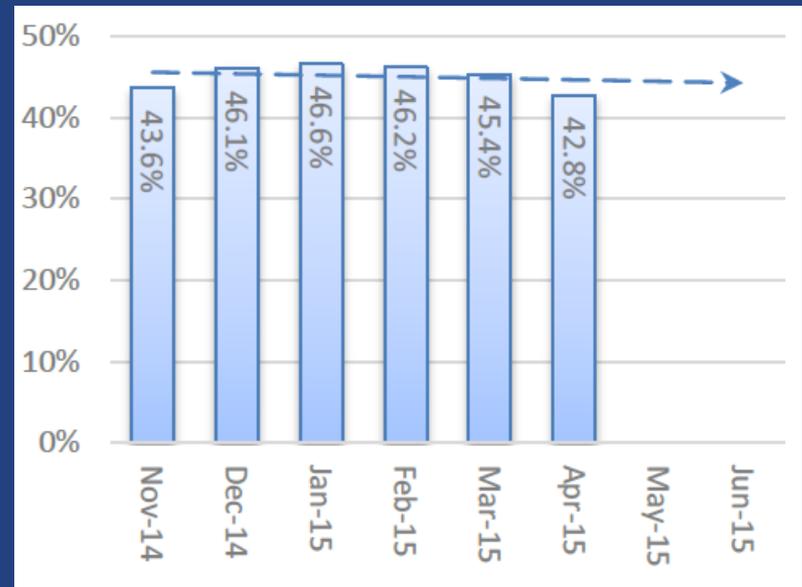


Disadvantaged Workers

Green



Benchmark: Community Benefits Policy (POLI-SB-01)



➤ Not yet indicative of trend

CURRENT ROW ACQUISITION STATUS

Improving ROW performance

- 8 additional ROW Consultant contracts
- Performance improving due to better quality work products, increased staffing by Authority & other State departments, and focus on parcels needed to support construction schedule
- Regular meetings with stakeholders, including DOF and DGS

CP 1

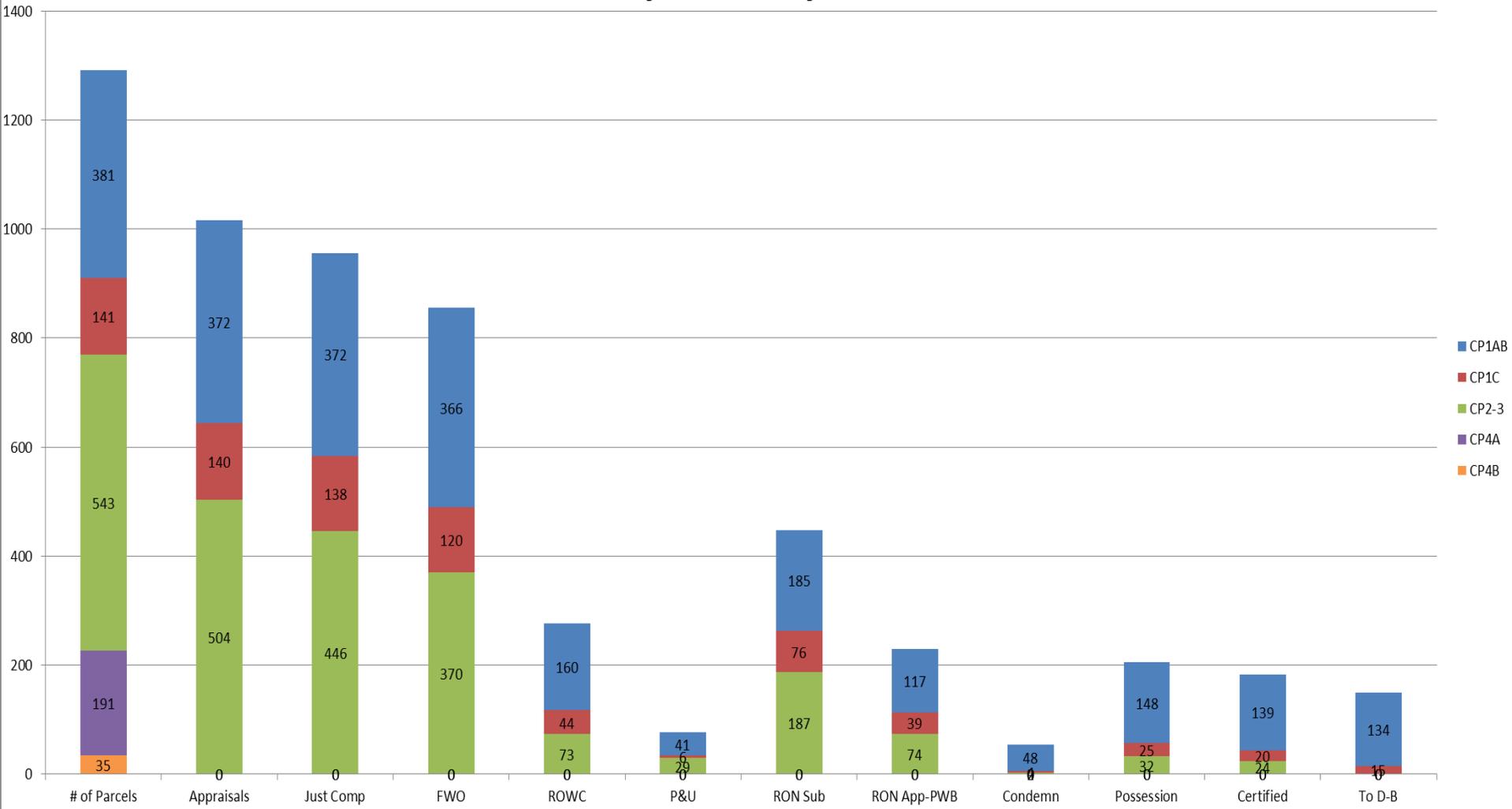
- 522 parcels needed with 512 appraised and 510 with first written offers
- 159 parcels certified for contractor, 149 parcels delivered to the DB
- Working with DB contractor to facilitate construction

CP 2-3

- Design-build contract to be awarded Spring 2015
- Acquisition plan includes grouping of parcels for construction
- 543 parcels needed with 504 appraised and 370 with first written offers
- 24 parcels certified for contractor
- Ahead of schedule

CURRENT ROW ACQUISITION STATUS (CONTINUED)

Project Summary Actuals



STATE ROUTE 99 REALIGNMENT PROJECT

Oversight role of Caltrans

Construction Manager General Contractor (CMGC) project within the limits of CP 1

- ROW ongoing (Fall 2015)
- Design ongoing (Fall 2015)
- Major construction anticipated to begin in Spring 2016

5 Key performance metric areas

- Safety, Cost, Schedule, Quality, Economic Benefits

9 individual performance metrics

- **Safety:** Caltrans Incident Rate, Contractor Incident Rate
- **Cost:** Total Support Cost, Construction Contingency, Cost Performance Index
- **Schedule:** Schedule Performance Index
- **Quality:** Construction Contract Change Orders
- **Economic Benefits:** Disadvantaged/Small Business Enterprises

Satisfactory performance in all metrics except for SB/DVBE usage

Risk Management

RISK MANAGEMENT PROGRAM: THE BEST TOOL FOR AN INTEGRATED APPROACH

RISK MANAGEMENT PLAN

FINANCIAL PERFORMANCE

AUDIT & REVIEWS

CONTRACTS PERFORMANCE

SB 1029 REQUIREMENTS

- A process by which identified risks will be quantified in financial terms
- Development documents that will be used to track identified risks and related mitigation steps
- Plans for regularly updating its estimates of capital and support costs
- Plans for regularly reassessing its reserves for potential claims and unknown risks, incorporating information related to risks identified and quantified through its risk assessment processes
- Plans for regularly integrating estimates for capital, support costs, and contingency reserves in required reports

RISK MANAGEMENT PROGRAM OBJECTIVES

- 1** Systematize the process by which the Authority manages circumstances that could increase the cost or significantly delay or halt the Program
- 2** Increase transparency regarding challenges to project plans and objectives
- 3** Capture project opportunities
- 4** Satisfy legal and regulatory requirements - meet the needs and expectations of other stakeholders
- 5** Rationalize allocation of resources including cost and schedule contingencies
- 6** Receive external validation of risk management approach (from Peer Review Group, Professor Flyvbjerg)

STATE-OF-THE-ART APPROACH VETTED BY LEGISLATIVE PEER REVIEW GROUP

Identify

Assess

Analyze

Manage

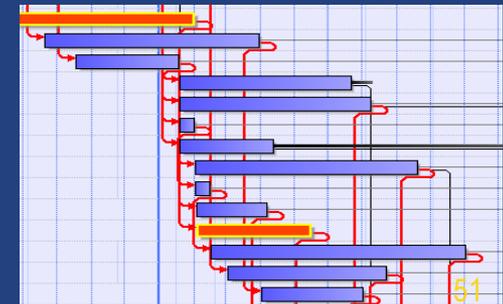
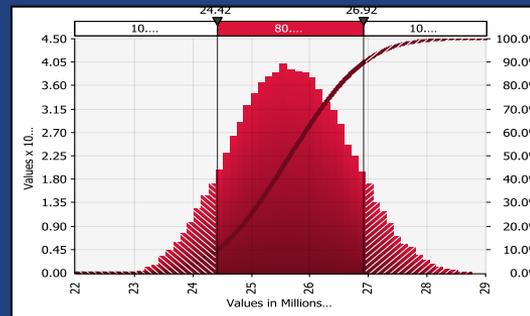
Monitor & Control

- Prepare and collect data
- Identify all risks
- Quantify
- Correlate
- Document
- Select method
- Sensitivity Analysis
- MC Simulations
- Panel Review
- Primary mitigation
- Allocation
- Contingency Analysis
- Secondary Mitigation
- Feedback Loop

Threat Impact Level	Cost Increase	Schedule Increase
Very High (5)	> \$ 100 M	6 Months and above
High (4)	\$ 50 M to \$ 100 M	4 to 6 Months
Medium (3)	\$ 10 M to \$ 50 M	2 to 4 Months
Low (2)	\$ 1M to \$10 M	1 to 2 Months
Very Low (1)	< \$ 1M	1 Week to 1 Month

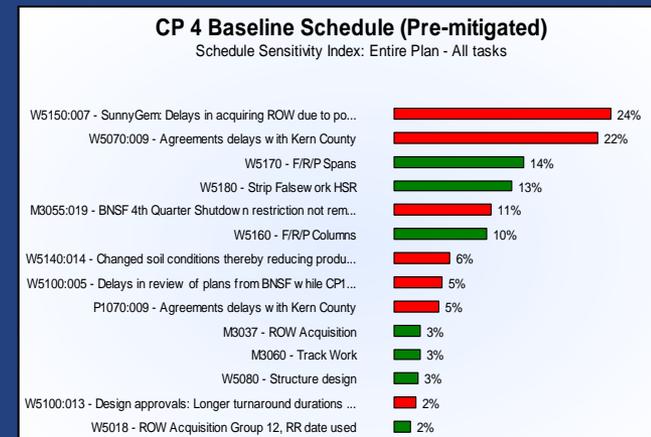
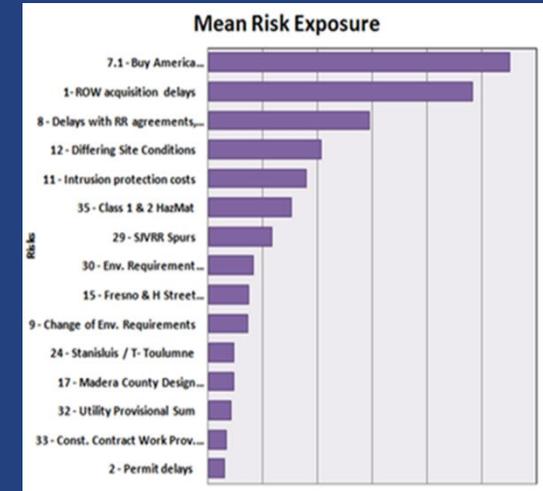
RISK	Design-Build		
	Owner	Shared	Design Builder
Construction			
DBE compliance			
Safety			
Construction Quality/Workmanship			
Schedule			
Materials Quality			
Materials documentation			
Material availability			
Initial performance requirements of QC/QA Plan			
Final Construction/Materials QC/QA Plan			
Construction/Materials QA			
Construction QC			
Construction QA Oversight			
Construction IA testing/inspection			
Construction Staking			
Erosion Control			
Spill Prevention			
Accidents within work zone			
Damage within work zone			
Third Party Damages			
Operations and Maintenance During Construction			

Risk Number	Risk Title
7.1	Delays caused by the inability to relocate utilities because of Buy America Requirements
1	ROW acquisition delays or failure to acquire ROW impacts construction operations.
8	Delay associated with RR agreements, design exceptions (clear-span of property), review and approval delays, or other issues during construction (lack of flaggers)
12	Changed/Differing Site Conditions
11	Direct costs associated with intrusion protection
35	Class 1 and 2 Hazardous materials
29	SJVRR Spurs in the vicinity of Dry Creek Canal



RISK MANAGEMENT – CURRENT ACTIVITIES

- CP1 Risk Re-Analysis check is underway:
 - verifying construction and delay risk assumptions
 - identifying any new risks
 - re-running Monte Carlo simulations
- CP2-3 Risk-based Contingency - approved at the April 2015 Board Meeting
- CP4 Risk-based Contingency – analysis on-going
 - Draft schedule risk analysis completed
 - Additional analyses will be used as inputs to the future Monte Carlo simulations



PROJECT-LEVEL RISK MANAGEMENT

Bottoms-Up Risk Analysis and PCM Risk Management

- At direction of Authority, PCMs of individual construction contracts conduct bottoms-up risk analysis efforts concurrent with beginning of contractor design and construction efforts
- PCM involvement ensures currency of information and more robust tie-ins to project budgeting and scheduling efforts
- Authority monitoring and oversight to ensure consistency in PCM risk management efforts across contracts and identification and incorporation of programmatic risks
- CP 2-3 PCM has developed bottom-up risk and contingency analysis, following on, but distinct from, Authority's analysis
- Risks were identified, quantified and analyzed using Monte Carlo simulation
- This independent analysis confirmed contingency recommendation
- Gap analysis is currently being conducted, comparing previous top-down analysis and PCM's bottom-up analysis to identify any previously unidentified risks, prioritize management actions and align roles and responsibilities for management and mitigation efforts

SUMMARY

- **The Authority has an integrated Finance and Audit Team in place that reports directly and is accountable to the Finance and Audit Committee.**
- **The Authority's Finance and Audit Team consists of the Chief Financial Officer, Chief Auditor, Assistant Chief Program Manager, and Risk Manager, and has implemented a robust project monitoring and controls program.**
- **Project monitoring and controls are in place that provide early identification of program trends and inform risk-driven decision making.**

THANK YOU

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