CALIFORNIA
High-Speed Rail Authority

BRIEFING: JUNE 14, 2016 BOARD MEETING AGENDA ITEM #4

TO: **Chairman Richard and Board Members**

FROM: **Mark McLoughlin, Director of Environmental Services**

DATE: **June 14, 2016**

RE: **Consider Amending the Merced to Fresno Central Valley Wye Regional Consultant Contract with Parsons Transportation Group, Inc.**

Background

Parsons Transportation Group (PTG) has been the Regional Consultant (RC) for the San Jose to Merced project section since 2012 and has advanced work for environmental clearance of the Merced to Fresno Central Valley Wye (Wye) alternatives[1]. The contract with PTG was awarded on December 4, 2008 after completion of a procurement process managed directly by Authority staff consistent with the State's competitive Architectural & Engineering (A&E) procurement process. This contract, as with all of the Authority's A&E contracts, contains a 30-day termination clause.

The contract is based on an annual work plan and PTG only performs duties that the Authority has agreed to by approval of its Annual Work Program (AWP). Going forward, staff has determined that work can be completed in the most efficient and cost effective manner by the use of deliverable based task orders issued to PTG. The Board's policies dictate that the Board approval is required for an amendment to this contract. The PTG contract expires on June 30, 2016. The remaining available contract amount is $0.5 million.

The original contract value was $55 million for preliminary engineering and project-specific environmental work. The original contract was amended by the Board twice, first on April 2, 2013 (#HSRA 13-05) and subsequently on June 3, 2014 (#HSRA 14-07) due to modifications to and refinement of the scope of work. The current contract value is $73.24 million; $44.5 million of the original contract value was expended on the San Jose to Merced Section up to 2012 when the work was suspended. PTG was then directed to develop the Wye Alternatives which resulted in the two contract amendments.

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[1] In 2012, the Board deferred making a decision on an alignment in the Wye area and decided to examine alternatives in the Wye area further as part of the San Jose to Merced EIR/EIS. Subsequently, in 2013, the Board directed staff to proceed with this process through a supplement to the Merced to Fresno EIR/EIS, as a more efficient method to address the Wye area. Throughout this process, staff have worked with PTG, the RC for San Jose to Merced, because that section overlaps with the Wye area.

The first amendment in 2013 was to allow for the study of alternatives in the environmental clearance process to be included in Checkpoint B. Checkpoint B identifies project alternatives for evaluation in the draft environmental documents for consideration by the Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers (USACE).

The second amendment in 2014 was to conduct additional public outreach to address comments and concerns raised by the local community and state and federal regulatory agencies on the preliminary alternatives. This additional public outreach resulted in additional engineering and environmental work, which increased the cost of the project and postponed the Authority's submission of the Checkpoint B document.

Subsequently, the EPA and USACE requested that additional studies to be completed after their review of the first draft of the Checkpoint B document, further impacting the timeframe for this contract. The approved Checkpoint B document introduced additional alternatives and eliminated a previous alternative, which also affected the project schedule and budget. This shift in overall costs, though not originally contemplated when the PTG contract was awarded in 2008, was consistent with the project development cost projections contained in the 2014 Business Plan.

Prior Board Action

RESOLUTION	AMENDED TERM	AMENDED CONTRACT CAPACITY
#HSRA 13-05	6/30/2014	$64,300,000
#HSRA 14-17	6/30/2016	$73,240,000

Discussion

The contract with PTG is an A&E contract as defined in Government Code, Section 4525 and, therefore, extending this contract through the amendment process is within the Board's scope and will not require approval by the Department of General Services pursuant to Section 11.0 of the State Contracting Manual (SCM).

Following the approval of the range of alternatives by regulatory agencies (Checkpoint B) in September 2014, the Authority held open house meetings in January 2015 in Chowchilla and Fairmead to gather community input on the proposed alternatives. Staff then refined the selected alternatives to incorporate the input provided by the community. Since May 2015, the Authority has authorized several items of additional work to be completed by PTG. At the time, the additional work was funded by deferring other tasks but staff later recognized that the additional work would require both an increase in the contract amount and an extension of time. The added work included:

- Variations to the previously approved subsection from Ranch Road to Merced station.
- Revisions to the preliminary engineering plans, technical reports and environmental analyses to reflect the change in the proposed limit of the Wye alignment to accommodate the extension of CP1 from Avenue 17 approximately three miles north to Avenue 19.

- Additional separation from the BNSF property in Madera Acres.

During the preparation of the Wye Supplemental Environmental Impact Report/Statement (SEIR/S), the environmental methodologies provided by the Rail Delivery Partner (RDP) had to be modified to reflect the needs of a supplemental environmental document rather than a new document. There were also changes in the definition of the "No Project" alternative, the important farmland mitigation methodology, and the methodology for the air quality analysis.

The proposed alternatives were presented to the Board in November 2015. Since that time, staff has been engaged in an extensive, in-depth outreach and consultation process to support the development of the Wye supplemental environmental document. Authority staff has been working with the City of Chowchilla, the community of Fairmead, Madera and Merced Counties, as well as with local residents, stakeholders, and regulatory agencies to refine the alternatives. In response to both community feedback and the permitting requirements of the regulatory agencies, staff recommends that the Authority evaluate the possibility of additional Wye alternatives.

The 2016 Business Plan addresses the importance of the Wye to connect the City of Merced to the Silicon Valley and Bay Area. Because of the additional time and resources required to complete public outreach and refine alternatives to address local, state and federal agency concerns, staff recommends amending the contract with PTG for the Merced to Fresno Central Valley Wye to increase contract capacity by $4.0 million and extend the duration for two (2) years, through June 30, 2018. This extension of time and increase in contract capacity covers the time and costs required to complete the study of the Wye alternatives in the environmental clearance process.

The request for an increase of $4.0 million includes a contingency of $182,000 for any changes to the planned scope, or current assumptions, for completing the work. These assumptions include:

- The range of alternatives studied will not require additional concurrence by regulatory agencies (the Checkpoint B process is not re-opened);
- A preliminary preferred alternative will be identified in the Draft Supplemental EIR/EIS that is supported by the regulatory agencies;
- Following public circulation of the draft environmental document, no additional engineering or environmental analysis will be required;
- All parties responsible for review of the documents will meet the approved schedule; and,
- Permits for construction and preliminary engineering for procurement will be performed by others.

Extending the PTG contract will enable the Authority to retain the team's expertise and experience, maintain continuity and momentum for completing this work and ensure the RC team is accountable for overall delivery through the Record of Decision. It will also allow an effective transition to completion of permitting, and engineering design needed for construction.

It is important to note that this contract extension is based on producing specific deliverables, work products, and project milestones.

Risk Management

The recommendation identified below considers the following opportunities and risks: loss of consistency/continuity, stakeholder relationships, competition, and potential conflicts of interest; loss of institutional knowledge; and imminent disruption and delay. This qualitative risk-based assessment was performed in consultation with the Authority's Chief Deputy Director, Chief Engineer, Chief Financial Officer, Regional Directors, and Risk Manager.

Legal Approval

The Office of Chief Counsel has reviewed this memorandum for potential legal risks and implications of the requested amendment, and will review the actual amendment language once prepared.

Budget Implications

This amendment is budgeted for and consistent with cost estimates included in the 2016 Business Plan.

Recommendations

Staff recommends that the Board approve a contract amendment with PTG for an additional $4.0 million, for a total contract not to exceed $77.24 million and for an additional two (2) years, through June 30, 2018. The amendment also includes the Board's 30% goal for Small Business Utilization.

	REVIEWER INFORMATION
Reviewer Name and Title: **Russell Fong, CFO**	Signature verifying budget analysis:
Reviewer Name and Title: **Tom Fellenz, Chief Counsel**	Signature verifying legal analysis:
Reviewer Name and Title: **Mark McLoughlin, Director of Environmental Services**	Signature verifying division analysis:
Reviewer Name and Title: **Diana Gomez, Central Valley Regional Director**	Signature verifying division analysis:

Attachments

– Draft Resolution #HSRA 16-18
– Board Resolution #HSRA 14-17, approved on June 3, 2014
– Board Resolution #HSRA 13-05, approved on April 2, 2013