



BRIEFING: SEPTEMBER 19, 2017 BOARD MEETING AGENDA ITEM #4

TO: Chairman Richard and Board Members

FROM: Mark McLoughlin, Director of Environmental Services
Diana Gomez, Central Valley Regional Director

DATE: September 19, 2017

RE: Consider Amending the Environmental and Engineering Contract for the Central Valley Wye with Parsons Transportation Group

Summary of Recommended Action

Staff recommends that the Board authorize the Chief Executive Officer, or his designee, to execute an Amendment to Agreement #HSRA 16-18, with Parsons Transportation Group (PTG), to extend the term of the Environmental and Engineering contract for an additional 1 year through June 30, 2019, and to increase the contract value by \$3,000,000.

Background

PTG has been the Environmental and Engineering consultant 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 alternatives. 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.

The Board's policies require Board approval of an amendment to this contract. The PTG contract expires on June 30, 2018, however only \$274,000 currently remains in the contract balance.

The original contract value was \$55 million for preliminary engineering and project-specific environmental work. The original contract has been amended by the Board three times, on April 2, 2013 (#HSRA 13-05), June 3, 2014 (#HSRA 14-07) to modify and refine the scope of work and on June 14, 2016 (#HSRA 16-18) for schedule and anticipated additional workload related to alternatives refinement. The current contract value is \$77.24 million; \$44.5 million of the original contract value completed work on the San Jose to Merced Section up to 2012 when PTG was directed to focus its work on development of the Central Valley Wye alternatives as part of the Merced to Fresno section.

To complete the development of the range of alternatives for the Central Valley Wye, PTG's contract was amended three times to allow the Authority to closely manage the scope. 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 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.

The third amendment in 2016 was to allow for possibility of the inclusion of additional Central Valley Wye alternatives in the Draft Supplemental EIS/EIR, revise the document to be consistent with the 2016 Business Plan and for environmental analysis and outreach support to identify a preliminary preferred alternative.

Prior Board Action

Resolution	Amended Term	Amended Contract Capacity
#HSRA 13-05	6/30/2014	\$64,300,000
#HSRA 14-07	6/30/2016	\$73,240,000
#HSRA 16-18	6/30/2018	\$77,240,000

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 authority and does not require approval by the Department of General Services pursuant to Section 11.0 of the State Contracting Manual (SCM).

The scope of this contract, as amended by #HSRA 16-18, included the completion of a Supplemental Environmental Impact Report/Statement (EIR/EIS). The environmental analysis and documentation were to be developed in compliance with the Environmental Methodologies Guidelines version 5 (EMGv5). It is important to note that the PTG team has collaborated with the Authority to identify and implement a number of streamlining processes to gain efficiencies that have resulted in achieving approximately \$298,000 in savings. However, during the preparation of the Draft Supplemental EIR/EIS, a number unforeseen changes have impacted the scope, budget and schedule as described below. These changes also have extended the overall project schedule, which have increased project management costs

- Cooperating Agency Review of the Administrative Draft Supplemental EIR/EIS
The Authority assumed concurrent reviews of the Administrative Draft Supplemental EIR/EIS and Administrative Final Supplemental EIR/EIS by the Federal Railroad Administration (FRA) and the cooperating agencies. This concurrent review and corresponding response to comments and revisions would have allowed this activity to be conducted as efficiently and expeditiously as possible. In January 2017, FRA informed the Authority that it would require that the administrative documents would be reviewed by cooperating agencies as part of a separate review and revision cycle. This would occur

after FRA has completed its review and after it has confirmed their comments have been addressed to their satisfaction.

- Wetland Delineation/Land Cover Dataset Refinements

The wetland delineation for the Central Valley Wye was built upon the fieldwork and research prepared by the prior Merced to Fresno Section consultant team. It was initially agreed that wetland delineation would not be re-evaluated in order to avoid unnecessary re-work because it was anticipated to be less than five years old at the time the new wetland delineation report was submitted to the U.S. Army Corps of Engineers (USACE) for verification. However, continued schedule delays moved the date of submittal past this five-year mark in 2016.

In September 2016, the USACE requested that the Authority update the delineation conducted for the Merced to Fresno Section in 2011. The refinements to the land cover analysis triggered a refinement of the aquatic resource and species habitat acreage presented in several related documents, including the Biological Resources & Wetlands Technical Report, Biological Assessment, Checkpoint C, preliminary Compensatory Mitigation Plan, Biological Resources and Wetlands Supplemental EIR/EIS section, Supplemental EIR/EIS Summary, and the Supplemental EIR/EIS Chapter 8, Preferred Alternative.

- Minimization Features Impact Avoidance: Refinements to Impact Analyses and Changes in Methodology in the Supplemental EIR/EIS Sections

Consistent with the level of detail provided in the 2012 Merced to Fresno Section Final EIR/EIS and the 2014 Fresno to Bakersfield Section Final EIR/EIS, the impact analysis in the Central Valley Wye Supplemental EIR/EIS was to take into consideration all the relevant design features, including Impact Avoidance and Minimization Features (IAMFs), of each alternative, but that the IAMFs would not be specifically referenced in the analysis.

In August and September 2016, following a review by staff and discussions with the FRA, the Authority issued new guidance to integrate a discussion and specific reference to each relevant IAMF, to specifically reference the relevant CEQA threshold in every impact conclusion, and to utilize the CEQA thresholds cited in the 2012 Merced to Fresno Final EIR/EIS (instead of the CEQA thresholds cited in the EMG v5). In addition, based on comments from the Authority's design-build contractors for Construction Packages 1 and 2/3 and a strong staff desire for program wide consistency, the Authority published standard programmatic IAMFs and mitigation measures. Published in August and October 2016, this triggered additional changes to the Supplemental EIR/EIS sections and technical reports. These changes in guidance evolved concurrently as work on the Central Valley Wye was progressing and required rewriting of all impact analyses in all resource sections and chapters.

- Changes to Air Quality Analysis and Noise Mitigation

In April 2017, based on preparation of the Fresno to Bakersfield Locally Generated Alternative Supplemental Draft EIR/EIS, the Authority issued new guidance which requires future construction contractors to further reduce air quality emissions by using

cleaner burning Tier 4 construction equipment. This new policy direction required significant refinements to the air quality and greenhouse gas analysis in the Central Valley Wye Supplemental EIR/EIS. Lastly, guidance regarding the application of noise mitigation was updated in April 2017, specifically addressing the number of sensitive receptors that must benefit from certain types of mitigation for noise impacts, such as sound barriers.

- Refinements to PG&E electrical interconnection and network upgrades analysis
The PG&E electrical interconnection and network upgrades (EINU) analysis was to be included in each Supplemental EIR/EIS section as a separate subtopic. After further consultation, FRA required that the analysis for the EINU be seamlessly integrated with the Central Valley Wye alternatives. As a result, this required significant rework by PTG and the Authority to combine the analysis.
- Environmental Justice / Fairmead Mitigation Refinements
Coordination with the community of Fairmead has necessitated changes to the approach in mitigating impacts to Fairmead. This has required additional work with the community, the Authority, and the FRA to identify and evaluate additional measures to mitigate environmental justice concerns.
- FRA Review of Administrative Draft Supplemental EIR/EIS
The Authority assumed that the FRA could meet established schedules for review of the Administrative Draft Supplemental EIR/EIS. However, due to FRA's limited resources and the Authority's priorities for document reviews, FRA was unable to meet the Central Valley Wye schedule. Upon receiving FRA's comments, significant modifications to the document were required to produce the Administrative Draft Supplemental EIR/EIS.

The changes described above will require the extension of the PTG contract by 12 months. This includes approximately four additional months to accommodate the consecutive cooperating agency review of the draft and final EIR/EIS, an additional one month to incorporate changes in the guidance and methodologies in the Draft EIR/EIS, the addition of five months related to FRA review of the Draft EIR/EIS and incorporation of comments and back-check, and an additional two months to adequately coordinate with local communities and stakeholders to review the Authority's proposed responses to their comments on the Draft EIR/EIS.

The PTG team is currently making significant progress working collaboratively with the Authority and FRA towards achieving an aggressive deadline to circulate the Draft Supplemental EIR/EIS for public review which will enable the Authority to complete this document. It maintains the team's extensive working relationships with FRA and resource agency staff, and maintains continuity and momentum for completing this work. It is important to note that this contract extension is based on producing specific deliverables, and meeting project milestones using task orders, to ensure the RC team is accountable for overall delivery through the Record of Decision.


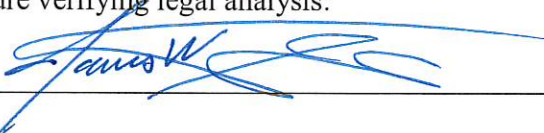
Legal Approval

The Acting Chief Counsel and legal staff have confirmed that there is no legal impediment to amending the PTG contract to add one year and \$3,000,000 as proposed in this memorandum.

Budget and Fiscal Impact

The proposed budget change is consistent with the 2016 Business Plan cost estimates and is within the Authority's funding source appropriations. Once approved, the PTG contract will be increased by \$3,000,000 and the T.Y. Lin contract for the Bakersfield to Palmdale project section will be reduced by \$3,000,000, resulting in a net zero overall program budget change, as shown below. The Environmental and Engineering work being done on the Bakersfield to Palmdale project section by T.Y. Lin will continue to advance under the new revised budget.

Contract Name	Contract/Activity Number	Current Contract Budget	Budget Change	Total Revised Budget	Funding Source
PTG - Preliminary Engineering and Project-Specific Environmental Work	HSR08-05	\$77,240,000	\$3,000,000	\$80,240,000	State funding
T.Y. Lin - Preliminary Engineering and Project-Specific Environmental Work	HSR13-44	\$68,200,000	\$(3,000,000)	\$65,200,000	State funding

REVIEWER INFORMATION	
Reviewer Name and Title: Russell Fong Chief Financial Officer	Signature verifying budget analysis: 
Reviewer Name and Title: James Andrew Acting Chief Counsel	Signature verifying legal analysis: 

Recommendations

Staff recommends that the Board approve a reduction of the T.Y. Lin contract of \$3.0 million, and approve a corresponding contract amendment with PTG for an additional \$3.0 million, for a total contract not to exceed \$80.24 million and for an additional one (1) year, through June 30, 2019. The amendment also includes the Board's 30% goal for Small Business Utilization. The amended not to exceed amount for Agreement #HSRA 16-18 would be \$80,240,000.

Attachments

- Draft Resolution #HSRA 17-18
- Board Resolution #HSRA 16-18
- Board Resolution #HSRA 14-07
- Board Resolution #HSRA 13-05