

CALIFORNIA HIGH-SPEED RAIL BRIEFING:
February 17, 2022, BOARD MEETING AGENDA ITEM #4

TO: Chairman Richards and Board Members

FROM: Christine Inouye, Chief Engineer of Strategic Delivery

DATE: February 17, 2022

RE: Consider Providing Approval to Release a Request for Qualifications for Design Services for the Merced to Madera Project

Summary

Staff is recommending that the Board approve the issuance of a Request for Qualifications (RFQ) for Design for the Merced to Madera project for an initial contract value up to \$41 million. If approved, staff will issue an Architectural & Engineering (A&E) procurement seeking to contract for services to progress the approximately 33.9 mile Merced to Madera project section to configuration footprint design work. At the completion of which the Authority will have the sole discretion to progress the design to final design and construction ready documents or use an alternate delivery method.

The RFQ will qualify offerors to develop the configuration footprint design work through Notice to Proceed 1 (NTP-1), and provides for two additional options at the authority's sole discretion. The procurement will also qualify offerors for optional work that would potentially increase the contract total to a not-to-exceed amount of \$151.2 million, including final design and construction ready documents (NTP-2) and configuration footprint for the portion of the alignment related to a potential Merced Station extension between R street and Martin Luther King Jr. Way in Merced (NTP-3).

Prior to exercising either of the options, Authority staff will submit another Business Oversight Committee (BOC) business case for approval and, if approved by the BOC, request and obtain Board approval. Offerors will be qualified to perform the entire scope of work during the RFQ process.

Background

The 2020 Business Plan provides the Authority's Business Model for delivering the high-speed rail system. As part of the business model, the Authority follows three principles to guide decisions:

1. Initiate high-speed rail service in California as soon as possible.
2. Make strategic, concurrent investments that will be linked over time and provide mobility, economic and environmental benefits at the earliest possible time.
3. Position ourselves to construct additional segments as funding becomes available.

Prior Related Board Action

The 2020 Business Plan was adopted by the Authority Board of Directors on Thursday, March 25, 2021, and submitted to the state legislature on Monday, April 12, 2021. This proposed Merced to Madera A&E procurement is consistent with the 2020 Business Plan priority of expanding the 119-mile segment in the Central Valley to develop 171 miles of electrified high-speed rail service by advancing design, funding pre-construction work and constructing extensions to Merced and Bakersfield, connecting downtown Merced, Fresno and Bakersfield with additional stops at Madera and Kings/Tulare.

Discussion

Authority staff seeks approval to issue a RFQ procurement to qualify teams for a new A&E contract to be managed by Strategic Delivery to support the delivery of stages 3 through 4 for the Merced to Madera project section. The draft RFQ, including a sample agreement and scope of work, is publicly available on the California State Contracts Register here: www.caleprocure.ca.gov/event/2665/0000021862. Coordination between Strategic Delivery, Engineering Services, Rail and Operations Delivery, and Real Property (for rights-of-way), among other areas, will be required.

The Merced to Madera high-speed rail extension is located within the counties of Merced in the north and Madera in the south. The Authority is evaluating relocation of the approved at grade station north to an elevated station at R Street in order to coordinate with ACE and San Joaquin Regional Rail as an intermodal station.

- The preferred alternative alignment included in the 2012 Environmental documents begins at Martin Luther King Jr. Way in Downtown Merced where the high-speed rail Merced Station location was approved as part of the CVY Final EIR/EIS at the September 2020 Board Meeting.
- The portion of the alignment between the Martin Luther King Jr Way and R Street will be included in the M-M contract NTP-3.

The NTP-1 contract work and deliverables, and the optional NTP-3 work and deliverables, will include the following:

1. Project configuration footprint
2. Value engineering
3. Project cost updates
4. Study travel time enhancements
5. Updated project risk assessment and schedule
6. Right-of-way mapping
7. Utility conflicts/relocations
8. Third party agreement preparation including those with railroads, local jurisdictions, and utilities

The final contract scope of work and deliverables, if the Authority exercises the option to issue NTP-2 for final design and construction ready documents, will also include the following:

1. Final design and construction ready documents
2. Constructability/construction staging plans
3. Study travel time enhancements
4. Environmental permits preparation
5. Updated project risk assessment including updated project cost estimates
6. Right-of-way acquisition plan
7. Procurement delivery plan

Procurement Process

To create a competitive and fair procurement environment, staff recommends a process that includes an RFQ, where Statements of Qualifications (SOQs) are submitted and selection is based upon qualifications, followed by negotiations with the successful offeror under the authority granted pursuant to Public Utilities Code section 185036 to award contracts with private or public entities for the design, construction, and operation of high-speed rail trains.

Procurement Schedule

The anticipated schedule for this procurement is intended to allow for the contract to be executed and issue NTP-1 in July of 2022.

RFQ ACTIVITY	DATE
RFQ advertised on Cal eProcure	February 18, 2022 (or thereafter)
Pre-Bid Conference	March 2, 2022
SOQs due	April 19, 2022
Anticipated Notice of Proposed Award Released	May 5, 2022
Presentation to Board: Contract Award	July 21, 2022
Contract Execution and Notice to Proceed (NTP-1)	July 2022

RFQ Evaluation Criteria

The RFQ process will be managed by Authority staff. The SOQs submitted by the offerors will be reviewed to ensure that all technical, requisite qualifications, and other RFQ requirements are met. The SOQs will then be evaluated and scored by the Evaluation Selection Committee pursuant to established criteria in the accompanying draft RFQ, which will include the following:

1. PROJECT TEAM

- Are the personal qualifications of the personnel identified in the organizational chart appropriate for the roles assigned?
- Does the organizational chart present a clear and logical framework for successfully completing the Work?
- Is the management approach complementary and responsive to the RFQ requirements? Does the staffing plan convey the proper level of response for the work at hand?
- Does the Project Team as proposed demonstrate all of the qualifications necessary to create a high level of confidence that it can successfully perform the Work on schedule and within budget?

2. PROJECT UNDERSTANDING AND APPROACH

- Does Consultant's team exhibit a demonstrated knowledge of the Work required? Work required for Configuration Footprint and utility relocation designs.
- Does the Consultant's team demonstrate knowledge of infrastructure design and environmental processes in

California?

- Are there innovative approaches and internal measures proposed for timely completion of the Work?
- Does Offeror have demonstrated experience with delivering clear, concise, readable project documentation?
- Does the Offeror's Outreach team have demonstrated experience in effectively communicating with the public?
- Is there sufficient evidence of analysis to lend credibility to the commitments made?

3. SMALL BUSINESS UTILIZATION

- Does the Consultant's approach to and experience with Small Business utilization demonstrate the Consultant's responsiveness to meeting the Authority's Small Business goal objectives?
- Do identified subconsultants support Consultant's approach?

4. PAST PERFORMANCE

- Has Consultant's team given clear evidence of successful delivery of projects of similar scope and complexity?
- Has Consultant's team given clear evidence through its examples of prior work that it is capable of completing the Work?
- Do Consultant's reference projects indicate its ability to produce a quality product on time and within budget?
- Do Consultant's reference projects provide evidence of experience providing continuity and consistency with previously approved work as part of the evolution of a similar program?

At the conclusion of the SOQ evaluations, the Evaluation Selection Committee will rank the offerors on the basis of their SOQ scores. In accordance with the Board policy related to RFQs, the Authority will invite selected offerors to participate in Discussions with the Evaluation Selection Committee. Discussions will be held with no fewer than the top three most qualified offerors, unless fewer than three SOQs are received. Discussions will be evaluated and scored by the Evaluation Selection Committee.

For each offeror invited for Discussion, the Evaluation Selection Committee will compute a final score, which is the sum of the offeror's weighted SOQ score and weighted Discussion score. Discussion evaluation criteria and final score computation will be provided in the RFQ and are as follows:

1. PRESENTATION

- Quality and appropriateness of the presentation
- Logic of the chosen speakers relative to project challenges
- Project manager control over the team

2. PROJECT MANAGER PARTICIPATION

- Quality of presentation and responsiveness to questions
- Understanding of challenges and requirements
- Perceived level of involvement with SOQ structure, content and presentation plan

3. KEY STAFF PARTICIPATION

- Quality of presentations and responsiveness to questions
- Understanding of assignment challenges and requirements
- Perceived level of involvement with SOQs preparation

4. UNDERSTANDING OF PROJECT

- Does Consultant convey an understanding of the critical project success factors?
- Is the Consultant able to provide evidence of successful small business utilization for this project
- Is the Consultant able to provide evidence of prior project experience with challenges of similar magnitude and complexity?
- Does the Consultant demonstrate how lessons learned on past projects will be applied to the particular needs of this project? Is the Consultant candid about any project failings that have been instructive for addressing the particular needs of this project?

Based upon the scoring in the draft RFQ, the offeror with the highest final score shall be ranked number one and recommended to the Authority's Chief Executive Officer for contract award and Board approval will be requested before executing a contract.

Miscellaneous Provisions

ESG: The RFQ contains a pass-fail requirement related to the offeror's environmental, social, and governance (ESG) efforts, which may include any environmental sustainability efforts, socio-economic equity policies, and governance policies, or a report that conforms to certain sustainability frameworks identified in the RFQ.

For purposes of this requirement, "socio-economic equity" means making opportunities and benefits available to all applicants, employees, and affected community members regardless of socioeconomic status and decision making that balances the effects of decisions on vulnerable and underserved communities and individuals regardless of income, race, ethnicity, age, gender, or other factors. The social factors of the ESG criteria complies with Article I, Section 31 of the California Constitution, which was added by Proposition 209 in 1996 and prohibits discrimination or "preferential treatment" on the basis of race, sex, color, ethnicity or national origin in public contracting.

SMALL BUSINESS: As provided in the draft RFQ, the resulting contract is subject to Small Business (SB), Disabled Veteran Business Enterprise (DVBE) and Disadvantaged Business Entity (DBE) participation goals in compliance with state and federal law. The agreement between the Authority and the consultant will include the Board's adopted 30 percent overall SB utilization goal, which includes a ten percent race-neutral DBE participation goal and a three percent DVBE goal.

PERFORMANCE: As provided in the draft agreement, a performance-based fee structure range negotiated in the Annual Work Plan shall be between 8% for satisfactory performance to 11% based on excellent performance and other factors.

Legal Approval

The Legal Office has reviewed this RFQ and the relevant laws, regulations and policies, and deems this RFQ to be legally sufficient for release.

Budget and Fiscal Impact

This request is to release an RFQ in order to procure a new A&E contract in an initial not-to-exceed amount of \$41 million to complete the configuration footprint design work (NTP-1). The procurement and resulting

contract include options related to completing final design and construction ready documents (NTP-2) and design services work related to the R street to Martin Luther King Jr. Way in Merced area (NTP-3). This initial request, however, is only for authorization for the initial not-to-exceed amount of \$41 million.

If the Authority seeks to exercise the NTP-2 option, which is estimated at an additional \$103.4 million, staff will return to the Board for approval to fund the option to progress to final design and construction ready documents.

Should the Authority seek to exercise the NTP-3 option to progress the Merced Station extension to Configuration Footprint, which is estimated at an additional \$6.8 million, staff will return to the Board for approval to fund the option to progress that work.

Capital Outlay Costs

The funds associated with this request include State and federal sources, including State Cap and Trade funds. The request for NTP-1 is consistent with the Expenditure Authorization approved at the December 2021 board meeting. Upon approval, this request will allocate budget reserved for this work within the 2022 Expenditure Authorization to the Merced to Madera contract up to \$41 million.

2021-22 Fiscal Year Budget

Contract Name	Contract Number	Current FY Contract Budget	Budget Change	Funding Source
Merced to Madera SG3	SLPP0401-001		-\$0	State and Federal
Merced to Madera Project	HSR-PEND-21-10-28		+\$0	State and Federal
Total			\$0	

Total Program Budget

Contract Name	Contract Number/Budget Allocation	Current Total Program Contract Budget	Budget Change	Funding Source
Merced to Madera SG3	SLPP0401-001		-\$41,000,000	State and Federal
Merced to Madera Project	HSR-PEND-21-10-28		+\$41,000,000	State and Federal
Total			\$0	

REVIEWER INFORMATION	SIGNATURE
Reviewer Name and Title: Brian Annis Chief Financial Officer	Signature verifying budget analysis: <i>Signed 2/08/22</i>
Reviewer Name and Title: Alicia Fowler Chief Counsel	Signature verifying legal analysis: <i>Signed 2/08/22</i>

Recommendations

Staff is requesting approval to issue a RFQ for Design Services for the Merced to Madera project in a total contract value up to \$41 million for NTP-1 and to make appropriate non-substantive changes to the RFQ as part of the procurement process. Authority staff will seek additional Board approval(s) prior to exercising the optional NTP-2 and NTP-3 work.

Attachments

- Draft Request for Qualifications, including scope of work, for Design Services for the Merced to Madera New A&E Contract