Summary
Staff is recommending that the Board authorize the Chief Executive Officer (CEO), or Designee of the CEO, to execute a contract with Stantec Consulting Services Inc. for a not-to-exceed dollar value of $41 million. If approved and after contract execution, staff will issue NTP-1 in order to commence design services to progress approximately 33.9 miles of the Merced to Madera project section through the Authority’s stage gate process to configuration footprint design work. The Authority will have the sole discretion to add the portion of the alignment between the Martin Luther King Jr Way and R Street (NTP-3). The Authority will also have the sole discretion to progress the design to final design and construction ready documents (NTP-2) or use an alternate delivery method. NTP-2 work could start prior to the completion of NTP-1 work.

This contract will authorize the consultant to develop the configuration footprint design work, with the option at the Authority’s sole discretion to progress the design to final design and ready for construction drawings. Prior to exercising the optional NTP-2 and/or NTP-3 work, Authority staff will submit another Business Oversight Committee (BOC) business case for approval and, if approved by the BOC, request and obtain Board approval for funding.

Background
The 2022 Business Plan lays out 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.
Building on the Authority’s mission and guiding principles, new funding will allow the Authority to focus on our key goals to 1) deliver an electrified two-track initial operating segment connecting Merced, Fresno, and Bakersfield as soon as possible, and 2) invest statewide to advance engineering and design work as every project section is environmentally cleared.

**Prior Related Board Action**

The 2022 Business Plan was adopted by the Authority’s Board of Directors on April 27, 2022 and submitted to the state legislature on May 6, 2022. This contract for design services for the Merced to Madera project is consistent with the 2022 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 preconstruction work and constructing extensions to Merced and Bakersfield, connecting downtown Merced, Fresno and Bakersfield with additional stops at Madera and Kings/Tulare.

On February 17, 2022, the Board approved the issuance of an architectural and engineering (A&E) Request for Qualifications (RFQ) for design services for the Merced to Madera project to procure a 2 year and 3-month contract valued up to $41 million on or after March 18, 2022, through Resolution #HSRA 22-05.

**Discussion**

Authority staff seeks approval to award a contract for design services for the Merced to Madera project and authorize the CEO, or designee of the CEO, to execute a contract with Stantec Consulting Services Inc. for a not-to-exceed amount of $41 million for the NTP-1 work. This A&E contract will be managed by Strategic Delivery to support the delivery of stages 3 through 5 for the Merced to Madera project section.

The Merced to Madera high-speed rail project section is located within the counties of Merced in the north and Madera in the south. The Authority is also evaluating relocation of the approved at grade station in Merced, 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 (NTP-3) will be included in the M-M contract.

The NTP-1 contract scope of work and deliverables, and the optional NTP-3 contract scope of work and deliverables, will include the following (Stage 3):

1. Project Configuration Footprint
2. Value Engineering
3. Project Cost Updates
4. Verified 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 (Stage 4 and 5):

1. Final design and construction ready documents
2. Constructability/stage construction plans
3. Verify 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
The procurement process for this design services contract was managed directly by Authority staff as a qualification-based contract governed by the state’s A&E requirements. The Authority proceeded in accordance with Article XXII of the California Constitution, Government Code § 4525 et seq., the Authority’s A&E Regulations, 21 CCR § 10000 et seq. and Board adopted policy, Contract Award Procedures for Request for Qualifications (RFQs). The RFQ was released on March 18, 2022, and Statements of Qualifications (SOQs) were due on or before May 26, 2022.

RFQ Evaluation Criteria and Results
A total of three SOQs were submitted by the following Offeror Teams:

(1) Parsons Transportation Group Inc., which includes HNTB Corporation, ICF Jones & Stokes, Inc., and 12 SB/DBE/DVBE firms.

(2) Stantec Consulting Services Inc., which includes 36 SB/DBE/DVBE firms.


The SOQs submitted by the three offerors were reviewed to ensure that all technical, requisite qualifications, and other RFQ requirements are met. The offerors were evaluated and qualified for the entire scope of work, including all NTPs, but the current request is to award NTP-1 only. The SOQs were then evaluated and scored by the Evaluation Selection Committee (ESC) pursuant to established criteria in the RFQ, which included 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 Offeror’s team exhibit a demonstrated knowledge of the Work required? Work required for Configuration Footprint and utility relocation designs.
• Does the Offeror’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 Offeror’s approach to and experience with Small Business utilization demonstrate the Offeror’s responsiveness to meeting the Authority’s Small Business goal objectives?
• Do identified subconsultants support Offeror’s approach?

4. PAST PERFORMANCE
• Has Offeror’s team given clear evidence of successful delivery of projects of similar scope and complexity?
• Has Offeror’s team given clear evidence through its examples of prior work that it is capable of completing the Work?
• Do Offeror’s reference projects indicate its ability to produce a quality product on time and within budget?
• Do Offeror’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 ESC ranked the offerors based on their SOQ scores. The Authority then invited all three offerors to participate in Discussions, which were evaluated and scored by the ESC pursuant to the established criteria in the RFQ as follows:

1. PRESENTATION
   - Quality and appropriateness of the presentation
   - Appropriate speakers relative to project challenges
   - Project manager control over the teams

2. PROJECT MANAGER PARTICIPATION
   - Quality of presentation and responsiveness to questions by the Project Manager
   - Project Manager’s understanding of Design Services for M-M challenges and requirements
   - Project Manager’s perceived level of involvement with SOQ structure, content, and presentation plan

3. KEY STAFF PARTICIPATION
   - Quality of presentations and responsiveness to questions by key staff participants
   - Key staff participants’ understanding of assignment challenges and requirements
   - Key staff participants’ perceived level of involvement with SOQs preparation

4. UNDERSTANDING OF PROJECT
   - Does the Offeror convey an understanding of the project’s critical success factors?
   - Is the Offeror able to provide evidence of successful Small Business utilization for this project?
   - Is the Offeror able to provide evidence of prior project experience with challenges of similar magnitude and complexity?
   - Does the Offeror demonstrate how lessons learned on past projects will be applied to the particular needs of this project? Is the Offeror candid about any project failings that have been instructive for addressing the particular needs of this project?

The final scores were computed from weighted combinations of SOQ (60%) and Discussion (40%) scores, in accordance with the RFQ requirements. Each Offeror’s ranking is shown below, with the highest final score shown as Rank 1:
<table>
<thead>
<tr>
<th>Offeror</th>
<th>Total Weighted SOQ Score</th>
<th>Total Weighted Discussion Score</th>
<th>Final Score</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stantec Consulting Services Inc.</td>
<td>53.70</td>
<td>37.36</td>
<td>91.06</td>
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<tr>
<td>Parsons Transportation Group Inc.</td>
<td>54.06</td>
<td>36.08</td>
<td>90.14</td>
<td>2</td>
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<tr>
<td>RSE Corporation</td>
<td>42.90</td>
<td>31.56</td>
<td>74.46</td>
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</table>

Based upon the scoring, the offeror with the highest final score, Stantec Consulting Services Inc., is ranked number one. Notice of Proposed Award (NOPA) was released by the Authority on June 17, 2022, and no protests were received. Following the NOPA, a pre-award audit review was conducted, and negotiations were successfully completed with Stantec Consulting Services Inc.

Once approved, the agreement between the Authority and the design services consultant includes the Board’s adopted 30 percent Small Business (SB) utilization goal, which includes a ten percent race-neutral Disadvantaged Business Entity (DBE) participation goal and a three percent Disabled Veteran Business Enterprise (DVBE) goal. As provided above, Stantec Consulting Services Inc. has identified 36 SB/DBE/DVBE subconsultant firms as a part of its team. In addition, Authority staff engaged in successful negotiations with the design services consultant, and we do not anticipate any impediments to executing the contract, if approved by the Board. During the negotiation process, the Authority recognized the volatility of the labor market (high inflation and staff retention issues) and made a reasonable adjustment to the annual escalated labor rates under the contract.

Legal Approval
This RFQ procurement process was conducted with the assistance of, and under the review of, the Authority Legal Office. The Legal Office has reviewed this contract and the relevant laws, regulations, and policies, and deems this contract to be legally sufficient for execution.

Budget and Fiscal Impact
This request is to enter into a new A&E contract in an initial not-to-exceed amount of $41 million to complete the configuration footprint design work (NTP-1). This request is only for authorization for the initial not-to-exceed amount of $41 million.

If the Authority seeks to exercise the NTP-2 option to progress to final design 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.

If the Authority seeks 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 to Configuration Footprint level of design.
**Capital Outlay Costs**

The funds associated with this request include State and federal sources, including State Prop 1A and 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 design services contract up to $41,000,000.

### 2022/23 Fiscal Year Budget

<table>
<thead>
<tr>
<th>Contract Name</th>
<th>Contract Number</th>
<th>Current FY Contract Budget</th>
<th>Budget Change</th>
<th>Funding Source</th>
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<tr>
<td>Madera to Merced SG3</td>
<td>SLPP0401-001</td>
<td>$13,000,000</td>
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<td>State and Federal</td>
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<td>Merced Extension Design</td>
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<td>$13,000,000</td>
<td>State and Federal</td>
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<td><strong>Total</strong></td>
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### Total Program Budget

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<th>Current Total Program Contract Budget</th>
<th>Budget Change</th>
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<tr>
<td>Madera to Merced SG3</td>
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<td><strong>Total</strong></td>
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</tbody>
</table>

### RECOMMENDATIONS

Staff is requesting Board approval to award the contract for design services for the Merced to Madera project, and authorize the CEO, or designee of the CEO, to execute a 2 years and 3 months contract with Stantec Consulting Services Inc. for a not-to-exceed dollar value of $41 million (NTP-1).
Attachments

- Resolution #HSRA 22-15 Approval to Award Contract for Design Services for the Merced to Madera Project