Request to Amend Track and Systems Stipend Contracts

Bruce Armistead, Acting Chief of Rail Operations
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Request to Amend Track and Systems Stipend Contracts

Summary of Request

• This request seeks Board approval to amend the prior Board Resolution HSRA19-11 to authorize adjustment in the stipend amounts for the Track and Systems procurement

• This request would not change the total budget amount for stipends; it would simply provide authorization to adjust the amounts available to individual Proposer teams
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• The Board unanimously approved release of the Track and Systems Request for Proposals to three prequalified Proposers in December 2019 (Resolution #HSRA 19-11)

• The Resolution gave specific authorization to include stipends as part of the Track and Systems procurement as follows:
  » $2 million to prequalified Proposers who submit a responsive proposal but are not awarded the contract; and
  » Up to $2 million (in proven costs) to prequalified Proposers in the event the procurement is cancelled
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• These amounts are in line with industry standards and the stipends awarded in the civil construction procurements.

• Stipends are used to encourage valuable industry participation and competition, and to partially compensate Proposers for enormous costs of preparing a responsive bid to a large and very technical project.

• The total Board-approved budget was $6 million.
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• Since the stipend budget and allocation was approved in December 2019, the Track and Systems procurement has met numerous challenges related to the COVID-19 pandemic, including:
  » The COVID pandemic began in March 2020, just a few months after the Request for Proposals was issued;
  » Major market and industry shifts surrounding mega projects;
  » Inflation;
  » Policy Deliberation in approving electrified system between Merced to Bakersfield;
  » Delays and changes with the civil construction packages; and
  » Substantive updates to the Requests for Proposals based on programmatic needs

• Changes have resulted in approximately 24 months worth of extensions to the procurement process

• All proposers have requested increases to the stipend amount at various times during this process
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Current Procurement Status:

• Two active and highly qualified Proposer teams remain in the procurement

• Teams have had more than 30 one-on-one meetings with the Authority on commercial and technical issues

• Teams have asked – and the Authority has answered – more than 1,100 questions related to the contract and technical requirements of the project.

• Teams have provided valuable feedback to the Authority that has informed and improved the contract

Proposals are due on September 21, 2022
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Track and Systems Contract Highlights:

• Track and Switches

• Modern Automatic Train Control (ATC) System
  » Incorporates functional requirements of Positive Train Control (PTC)

• Communication system

• Early earthquake detection

• Station platforms, canopies and vertical circulation (no buildings)

• Overhead Contact System (OCS)

• High-Voltage sub station and switching stations to support OCS

• Operational Control Center (OCC)

• Maintenance of Way Facilities

• 30-year maintenance responsibilities of constructed civil structures

• 30% Small Business participation goal
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Request:

• Approve the Board Resolution to adjust the stipend amounts available to individual Proposer teams, but not increasing the total budget for stipends. The total budget would remain at $6 million.

• The new authorization would permit the Authority to:
  » Award $4 million to a Proposer who submits a responsive proposal but is not awarded the contract, or
  » Award up to $3 million (in proven costs) to active Proposers in the event the procurement is cancelled.

• This request is based on the duration of this procurement, its complicated and technical nature, and the value the Authority has received from the active engagement of Proposer teams.