



## **California High-Speed Rail Authority** **BRIEFING: December 6, 2023, Board Meeting** **Agenda Item #3**

**TO:** Board Chair Richards and Board Members

**FROM:** Bruce W. Armistead, Chief of Rail and Operations Delivery

**DATE:** December 6, 2023

**RE:** Consider Providing Approval to Execute and Award the Rail Systems Engineering Services (RSES) Support Contract

---

### **Summary**

Staff recommends that the Board authorize the Chief Executive Officer (CEO), or Designee of the CEO, to execute a Rail Systems Engineering Service (RSES) services contract with Network Rail Consulting Inc. in an amount not-to-exceed \$73.2 million for a term of 5 years and 4 months. The agreement period will commence upon execution, and the California High-Speed Rail Authority (Authority) will issue the Notice to Proceed to initiate the transition period from the Rail Delivery Partner (RDP) to the RSES Consultant. Prior to exercising an extension option, Authority staff will request and obtain Board approval.

### **Background**

The California High-Speed Rail Authority (Authority) is responsible for planning, designing, building, and operating the first high-speed rail system in the nation, linking California's major population centers.

With the upcoming expiration of the RDP contract, the purpose of this procurement is to enter into an agreement with a consultant to provide professional services to the Authority for rail systems engineering services and technical expertise related to the delivery of the high-speed rail program. More specifically, the Authority must verify all requirements are met by its civil, track, systems, trainsets, and station contractors, who will each have separate and distinct responsibilities. The consultant to be hired through this procurement will support this effort.

The scope of services includes support in the areas of rail systems engineering, rail system safety and security, asset management, system integration, signaling, communications and train control, high-voltage, overhead catenary systems, track, stations, rail operations, and other specialized technical expertise for delivery of the high-speed rail system. The RSES consultant will be critical in providing input on and assessments of other Authority contractors' work, including design, environmental, stations, engineering, construction management, track, systems, and trainsets.

## **Prior Board Action**

The Board chose to move forward with a business model that includes procurement of a separate RSES contract when it authorized approval to award the contract for Program Delivery Support services, (Board Resolution # HSRA 22-23 approved on October 20, 2022).

Pursuant to Board Resolution HSRA #23-04, approved on February 16, 2023, the Authority issued the Request for Qualifications (RFQ) for Rail Systems Engineering Service on July 25, 2023, in accordance with the Board's policy on issuance of RFQs.

## **Discussion**

Key contract provisions and the RFQ procurement process are detailed below. Authority staff seeks approval to authorize the CEO, or Designee of the CEO, to execute a RSES services contract with the Network Rail Consulting Inc. in an amount not-to-exceed \$73.2 million for a term of 5 years and 4 months.

### ***Scope of Work***

The main areas for the Scope of Work are as follows:

- Provide a core group of rail engineers with expertise in traction power/catenary, signal/train control and communications, high-voltage, track, stations and station integration, rail equipment and operations to develop rail-related scope, engineering, and plans.
- Review all civil designs to ensure:
  - Compliance with the Authority's Design Criteria Manual,
  - Track and systems requirements are met, and
  - That no elements would interfere with rail construction, rail maintenance and/or rail operations.
- Respond to all special requests and technical evaluations which arise beyond construction and plan reviews.
- Support the Authority program-wide in reviews of other contractors' work for impacts on the rail program, including review related to preliminary designs, environmental documents, project controls, and project and construction management.
- Support the Authority in the integration of elements of the rail system and in the management of these interfaces.
- Provide Requirements oversight support for civil, track, systems, trainsets, and stations.
- Manage risk register and system safety of all safety cases related to civil, track, systems, trainsets, and stations.

### ***Transition***

Elements of the RSES contract include a transition from the RDP contract. The RDP contract will need to be amended for additional time to accomplish the transition to the RSES consultant. Some RSES contract scope elements may require a longer transition period to ensure the efficient and effective hand off.

### ***Small Business Requirements***

The RSES 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 RSES Consultant will include the Board's previously adopted 30 percent SB utilization goal, which includes a ten percent race-neutral DBE participation goal and a three percent DVBE goal. SB utilization goals are based on information and

contract provisions published at the release of the RFQ and Statements of Qualifications (SOQ) submissions received. The RSES RFQ was issued prior to the new SB utilization goals being adopted. RSES SOQs were submitted prior to the new goals being adopted and the notice of proposed award for the contract was also issued prior to the date the new goals were approved. New SB utilization goals were adopted by the Board on November 2, 2023 and will be applied on all RFQ and RFP solicitations released after that date.

### ***Contract Negotiation, Term and Budget***

In addition to the key work and provisions noted above, Authority staff engaged in successful negotiations with Network Rail Consulting Inc. regarding the terms of the Agreement.

If approved, the anticipated term of the RSES services Agreement No. HSR 23-21 will be five years four months and the maximum amount of the contract will be up to \$73.2 million.

### ***Procurement Process***

The RFQ solicitation used the architectural and engineering (A&E) contracting method where statements of qualifications (SOQs) were submitted and selection is based on qualifications. Costs are not a factor in the selection, but fair and reasonable fees and costs were negotiated with the top ranked Offeror prior to executing a contract. The solicitation process is governed by Government Code section 4525 et seq., the Authority's A&E regulations (Cal. Code Regs., Title 21, § 10000 et seq.) and the Board's RFQ policy.

### ***Procurement Evaluation Criteria***

The RFQ process was managed by the Authority staff. A total of two SOQs were submitted by Offerors and were reviewed to ensure that all requisite qualifications and other RFQ requirements are met. SOQs were submitted by the following Offeror teams:

1. Atkins North America, Inc. which includes subconsultant Ingeniería y Economía del Transporte S.M.E. M.P., S.A. (Ineco), and 15 SB/DBE/DVBE firms.
2. Network Rail Consulting Inc., which includes subconsultants Egis Rail Inc. USA, Ricardo Inc., and six SB/DBE/DVBE firms.

The SOQs were evaluated and scored by an Evaluation Selection Committee pursuant to established criteria in the RFQ, which included the following:

#### **1. PERFORMANCE AND EXPERIENCE**

The quality, depth, and relevance of the following items:

- Offeror examples of completed projects of similar scope, magnitude, and complexity, including:
  - High-speed rail programs and
  - Project management.
- Examples of sufficient experience on past projects by Offeror or Offeror Team performing the Work required under the Scope of Work

- Offeror examples of successful partnering and collaboration in a team environment on past projects of similar scope, magnitude, and complexity, including experience with its proposed partners.
- Offeror examples of successful and repeatable past approach to delivering high-quality products with schedule constraints.

## 2. ORGANIZATION AND KEY PERSONNEL

The extent to which:

- The proposed project organization presents a clear and logical framework.
- The proposed team structure demonstrates a cohesive team with effective communication within its organization.
- The management approach is responsive to the RFQ requirements.
- The staffing plan conveys the proper level of response for the Work.
- The staffing plan demonstrates a high level of commitment and resource availability.
- The staffing plan addresses the full expanse of potential tasks in the Scope of Work.
- The staffing plan integrates well with the Authority's own organization structure and governance both virtually and on-site.

### KEY PERSONNEL AND ROLES

The extent to which:

- The Principal-in-Charge has the individual qualifications, professional skills, and sufficient experience to effectively lead and manage the Project.
- The qualifications and professional skills of the Key Personnel appropriate for the roles assigned.
- The past experience of the Key Personnel is sufficient to demonstrate the ability to effectively deliver the Work required for the Project.

## 3. UNDERSTANDING OF PROJECT ELEMENTS

The extent to which:

- The Offeror demonstrates a thorough knowledge of the high-speed rail program.
- Sufficient evidence in the SOQ lends credibility to the commitments made.
- The Offeror demonstrates an ability on past projects (other than Authority projects) to deliver on a transition plan either as an outgoing incumbent, or as an incoming incumbent.
- The Offeror demonstrates an ability on past projects to deliver on a Mobilization Plan, Program Management Plan, and Quality Management Plan.
- The Offeror demonstrates an understanding of how this Work integrates into the California High-Speed Rail Program requirements, including any potential challenges.
- The Offeror gives clear evidence through narratives and examples of prior work that it has the capacity and resources to carry out the Work, with innovation and autonomy.

## 4. SMALL BUSINESS PARTICIPATION

The extent to which:

- The Offeror provides a clear commitment to meeting the Authority's current Small Business (SB) utilization goal.
- The Offeror's SB narrative clearly identifies how the Offeror will utilize SBs to achieve the Authority's current Small Business (SB) utilization goal.

At the conclusion of SOQ evaluations, the Evaluation Selection Committee ranked the Offerors on the basis of their SOQ scores. In accordance with the Board policy related to RFQs, the Authority invited selected Offerors to participate in discussions with the Evaluation Selection Committee. Discussions were then held with the two qualified offerors and were evaluated and scored separately by the Evaluation Selection Committee. Discussion evaluation criteria and final score computation were provided in the RFQ and were as follows:

1. PRESENTATION

- Quality and appropriateness of the presentation
- Appropriate speakers relative to Project challenges
- Principal-in-Charge leadership and management of the team

2. PRINCIPAL-IN-CHARGE PARTICIPATION

- Principal-in-Charge's understanding of the challenges and requirements of the Project
- Principal-in-Charge's knowledge and understanding of the Project
- Understanding of Key Personnel of the Project challenges and requirements
- Knowledge and understanding of Key Personnel of the Work in their respective areas of expertise

3. RESPONSIVENESS TO QUESTIONS

- Quality and thoroughness of response to question number 1
- Quality and thoroughness of response to question number 2
- Quality and thoroughness of response to question number 3
- Quality and thoroughness of response to question number 4
- Quality and thoroughness of response to question number 5
- Quality and thoroughness of response to question number 6

The Evaluation Selection Committee concluded the entire evaluation process by ranking the Offeror with the highest score as ranked number one and recommended to the Authority's CEO for contract award. A Notice of Proposed Award was posted on October 6, 2023, identifying the top-ranking Offeror as Network Rail Consulting Inc. based upon the following scores:

Offeror	Total Weighted SOQ Score	Total Weighted Discussion Score	Final Score	Rank
Network Rail Consulting Inc.	57.12	37.20	94.32	1
Atkins North America, Inc.	56.58	36.28	92.86	2

**Legal Approval**

The Legal Office has reviewed, and this item complies with Authority policy.

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

**Budget and Fiscal Impact**

The total value of this RSES contract is not to exceed \$73.2 million.

***Capital Outlay Costs***

The funds associated with this request include State and Federal sources, including State Proposition 1A bond funds and Cap-and-Trade funds, and federal Fiscal-Year 2010 grant funds. The request is consistent with the Expenditure Authorization approved at the March 2023 Board meeting.

**2023/24 Fiscal Year Budget**

Contract Name	Contract Number	Current FY Contract Budget	Budget Change	Funding Source
Program Mgmt	PMO2	\$13,172,123	-\$13,172,123	State and Federal
RSES	HSR-PEND-22-08-18	\$0	\$13,172,123	State and Federal
Total			\$0	

Total Budget

Contract Name	Contract Number/Budget Allocation	Current Total Program Contract Budget	Budget Change	Funding Source
Program Mgmt	PMO2	\$73,225,620	-\$73,225,620	State and Federal
RSES	HSR-PEND-22-08-18	\$0	\$73,225,620	State and Federal
Total			\$0	

REVIEWER INFORMATION	SIGNATURE
Reviewer Name and Title: Brian Annis Chief Financial Officer	Signature verifying budget analysis: Signed 12/4/2023
Reviewer Name and Title: Alicia Fowler Chief Counsel	Signature verifying legal analysis: Signed 12/4/2023

**Recommendations**

Staff recommends that the Board approve the award of this contract to Network Rail Consulting Inc. in an amount not-to-exceed \$73.2 million for a term of five years and four months and authorize the CEO or his designee to execute the contract.

**Attachments**

- PowerPoint Presentation
- Draft Resolution HSR 23-09 Award of the Rail Systems Engineering Service (RSES) Contract