



## California High-Speed Rail

### BRIEFING: August 28, 2025 Board Meeting Agenda Item #4

**TO:** Chairman Richards and Board Members

**FROM:** Emily Morrison, Chief of Contracting

**DATE:** August 28, 2025

**RE:** Consider approving the issuance of Invitations for Bids for the Procurement of Rail Materials

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#### Summary

Staff is recommending that the Board approve the issuance of six invitations for bids from suppliers to provide commoditized materials necessary for the construction of high-speed rail track and systems. If approved, the Authority intends to purchase the following commoditized materials directly from suppliers:

- Rail,
- Concrete Ties,
- Overhead Contact System (OCS) Poles,
- OCS System Components,
- Fiber Optic Cable, and
- Ballast.

Each materials contract will be issued through multiple Notices to Proceed (NTPs) as described below. No work may begin until the Authority has issued both NTP and a purchase order directing the Contractor to manufacture and deliver materials.

NTP 1: supply of materials for use in the 119-mile First Construction Section (Madera to Poplar Avenue) (anticipated fourth quarter 2025)

NTP 2: supply of materials for use in the northern extension (Madera to Merced) (TBD)

NTP 3: supply of materials for use in the southern extension (Poplar Avenue to Bakersfield) (TBD)

NTP 2 and NTP 3 will be options, at the Authority's sole discretion, to purchase additional materials for use in the Merced and Bakersfield extensions.

Staff is seeking approval today to issue each solicitation, award each contract, and issue NTP 1 for each contract. Staff will return to the Board for approval to issue NTP 2 and/or NTP 3 for each contract.

NTP 1 for each of these materials purchases is 100% state funded. Future NTPs may be funded by both federal grant (e.g., the Federal State Partnership [FSP]) and state matching funds.

Solicitations for competitive bids are anticipated to be released on or after August 2025, following Board approval.

## **Background**

Track and systems are critical elements of the high-speed rail system. To further this work, Staff determined that it is in the Authority's best interest to purchase certain commoditized materials directly from suppliers before the future track and systems construction contract or contracts will be awarded. If approved, the Authority plans to purchase rail, concrete ties, OCS poles, OCS system components, fiber optic cable, and ballast and provide these materials to contractors for future installation. Directly purchasing certain long lead commoditized materials to accelerate logistics and reduce costs is consistent with the 2025 Project Update Report and was a topic of discussion in the CEO report at the May 1, 2025, and July 11, 2025, Board meetings.

## **Prior Board Action**

N/A

## **Discussion**

Rail, concrete ties, OCS poles, OCS system components, fiber optic cable, and ballast are core components of the high-speed track and OCS systems to be constructed by a future track and systems construction contractor, or contractors, in the (EOS) from Merced to Bakersfield. Staff conducted an analysis of the high-speed rail supply chain and determined that purchasing these commoditized materials directly rather than having the future construction contractor, or contractors, purchase them will likely result in significant cost and schedule savings to the Authority. By placing these materials orders in advance of procuring a contract or contracts for the future track and systems construction, the Authority will be in a position to avoid delays caused by long lead times on these critical path items. Ordering materials in advance will mean the materials are on hand and ready for use when needed.

Materials will initially be delivered to the Authority's southern railhead in the City of Wasco, which is currently under construction with the fourth quarter of 2025 projected for the completion of all track work. The railhead facility will provide storage and staging for the materials but will not be a site for stockpiling mass quantities. The intention is to place purchase orders based on lead times for delivery to properly sequence the work and have enough materials on hand at any given time for approximately 2-4 weeks of work. Materials will also be delivered to the northern railhead in Fresno, once it is ready.

General requirements for each material are laid out in the following sections. All materials must be newly manufactured goods and conform to the technical specifications as provided by the Authority. All materials supplied must be compliant with the Buy America and the Build America, Buy America Act in accordance with 49 U.S.C. § 22905 and 2 C.F.R. part 184.

### **Rail:**

If approved, the Authority would release an invitation for bids to purchase long welded UIC 60 E1 rail. The rail must be compliant with the Authority's specifications and production must be sufficient for an average of 0.5 miles of track laying per day. Staff estimates that the lead time for rail is 6-12 months.

### Concrete Ties:

If approved, the Authority would release an invitation for bids to purchase new prestressed pretensioned monobloc concrete crossties for use with UIC 60 E1 rail. The ties must be compliant with the Authority's specifications and production must be sufficient for an average of 0.5 miles of track laying per day and an average of 2,680 ties per mile for one track. Staff estimates that the lead time for concrete ties is 1-2 months.

### OCS Poles:

If approved, the Authority would release an invitation for bids to purchase OCS poles, including baseplates, that are compliant with the Authority's specifications. Staff estimates that the lead time for OCS poles is 6-12 weeks.

### OCS System Components:

If approved, the Authority would release an invitation for bids for the purchase of OCS system components including but not limited to messenger wire, contact wire, dropper wire, and cantilever components. Staff estimates that the lead time for OCS system components is 6-12 months.

### Fiber Optic Cable:

If approved, the Authority would release an invitation for bids to purchase fiber optic cable composed of single-mode, loose-tube, steel-tape armored cable designed for outdoor use and suitable for direct underground burial and inside ducts that is compliant with the Authority's specifications. Staff estimates that the lead time for fiber optic cable may be up to six months.

### Ballast:

If approved, the Authority would release an invitation for bids to purchase ballast (crushed igneous rock). The ballast must be compliant with the Authority's specifications and production must be sufficient for an average of 0.5 miles of track laying per day and an average of 3,200 pounds of ballast per foot for one track. Staff estimates that the lead time for ballast is 2-3 weeks.

### Procurement Approach:

Contracts would be awarded on the basis of the lowest responsive bid from a responsible bidder. For the ballast procurement, it is anticipated that contracts may be awarded to multiple bidders. In such a case, contractors will be ranked with the lowest responsive responsible bidder ranked as 1, the next lowest responsive responsible bidder ranked as 2, and so on. Following contract execution, orders for materials will be offered to contractors in rank order. Details on the selection process, including procedures for awarding contracts to multiple bidders, if applicable, will be included in the solicitation documents for each procurement.

Draft IFBs can be found on the California State Contract Register. Specific links provided here.

<https://caleprocure.ca.gov/event/2665/HSR25-25>

<https://caleprocure.ca.gov/event/2665/HSR25-26>

<https://caleprocure.ca.gov/event/2665/HSR25-27>

<https://caleprocure.ca.gov/event/2665/HSR25-28>

### **Small Business**

While the Authority aims to maximize small business participation in line with the Board-approved Small Business Program, there are situations where specific contracts or solicitations are not as suitable for small business participation. Market research indicates that there are very few small businesses, disabled veteran business enterprises, or disadvantaged business enterprises able to provide the rail commodities. Staff will

take all practical actions necessary to meet the Authority's small business participation goals but has determined that including the small business requirements in these contracts is not practical and could deter competition. Staff therefore seeks Board approval to exempt certain solicitations and contracts from the small business goals, where appropriate.

### **Legal Approval**

Legal has reviewed and signed off on this memorandum.

### **Budget and Fiscal Impact**

The budget is set as a not to exceed value of up to \$507.1 million for the requested commodities purchases. The term of purchasing will start this year and extend until all commodities are procured. This request is funded by state funds within the authorized Program Baseline and Program Budget and allows the Authority to stay on schedule to meet its Federal grant milestones.

| Request        | Funding Description | Funding Source(s) | Amount         | Match % Requirement |
|----------------|---------------------|-------------------|----------------|---------------------|
| TS Commodities | State               | Cap and Trade     | \$ 507,100,000 | N/A                 |
|                |                     |                   |                |                     |
|                |                     | Federal           | \$ -           |                     |
|                |                     | State             | \$ 507,100,000 |                     |
|                |                     | Total             | \$ 507,100,000 |                     |

| REVIEWER INFORMATION   | SIGNATURE  |
|--|--|
| Reviewer Name and Title:<br>Jamey Matalka<br>Chief Financial Officer | Signature verifying budget analysis:<br><b>Original signed 8/19/2025</b> |
| Reviewer Name and Title:<br>Tom Fellenz<br>Chief Counsel             | Signature verifying legal analysis:<br><b>Original signed 8/19/2025</b>  |

### **Recommendations**

Staff is recommending Board approval to: (1) issue Invitations for Bids to receive competitive bids in six separate procurements for the provision of Rail, Concrete Ties, OCS Poles, OCS System Components, Fiber Optic Cable, and Ballast, (2) authorize the CEO, or designee of the CEO, to execute and award contracts to the lowest responsible bidders for a cumulative not-to-exceed dollar value of \$507,100,000 for NTP 1, and (3) authorize staff to develop and finalize the procurement and contractual documents for each procurement prior to beginning the bid process and make any necessary non-substantive modifications thereto during the procurement process and (4) authorize staff to determine small business goals for each solicitation and resulting contract.

### **Attachments**

- Rail Materials Procurements PowerPoint Presentation
- Draft Board Resolution #HSRA25-06.
- Draft IFB for Long Welded Rail
- Draft IFB for Monobloc Concrete Ties
- Draft IFB for Overhead Contact System (OCS) Poles
- Draft IFB for Ballast
- Draft Term Sheet for OCS Components
- Draft Term Sheet for Fiber Optic Cable