



CALIFORNIA High-Speed Rail Authority

California High-Speed Rail

BRIEFING: November 20, 2025, Board Meeting Agenda Item #4

TO: Chairman Richards and Board Members

FROM: Thierry Prate and Brent Butzin, Strategic Financial and Commercial Advisors

DATE: November 20, 2025

RE: **Informational Update** – Public Private Partnerships (P3): Issuance of Request for Qualifications for the Procurement of a Private Co-Development Partner

Summary

Staff is presenting this Informational Update to the Board on Staff's plan to issue a **Request for Qualifications ("RFQ")** for a private-sector **Co-Development Partner ("CDP")** to perform work under a **Co-Development Agreement ("CDA")**, consistent with the strategy outlined in the Supplemental Project Update Report to engage the private sector and explore P3 opportunities. This RFQ is being processed under the Chief Executive Officer's delegation of authority as the value is estimated to be less than the \$25 million threshold. However, as negotiations occur with the CDP on the delivery of one or more Segments or Elements of the Project the value of the agreement could change. If that value is planned to exceed the delegation of authority, Staff will return to the Board with an item for review and approval first.

Following this Informational Update, Authority Staff intend to solicit qualifications for a CDP as further described below. Capitalized terms have the meaning in the attached CDA RFQ Term Sheet.

1. Key Objectives of the CDA

The Key Objectives of the CDA are to further advance technical, commercial, and financial solutions for the flexible, phased delivery of the Program that will best achieve the **Program Goals**.

The CDA will establish a framework for a collaboration and negotiations process for the Authority and the CDP to identify potential packages for development from concepts to full Development Agreement.

2. Role of the Co-Development Partner

The following describes the role of the CDP:

- (a) The Authority is engaging the CDP to evaluate opportunities for a private sector partner to leverage innovation, expertise and efficiency in design, construction, systems integration, finance, operations and maintenance of one or more selected Project Segments and Elements, which may result in one or more public-private partnership agreements (“**Development Agreements**”).
- (b) The CDP is an independent contractor retained to perform professional and technical services for the Authority (the “**Co-Development Work**”). CDP shall have no authority to act on behalf of the Authority other than as expressly provided in the Co-Development Agreement. The CDP is not authorized to act as a general agent for or to undertake, direct or modify any contracts on behalf of the Authority or to bind the Authority on any contractual matters.

Background

After joining the Authority in September 2024, CEO Ian Choudri undertook a comprehensive review of every aspect of the program to deliver the high-speed rail system efficiently and effectively. The CEO’s goal is to shift to more of a business mindset for delivering the system to achieve a smarter, faster and more economically delivered system. This effort also included engagement with industry to accelerate delivery and refine our approach.

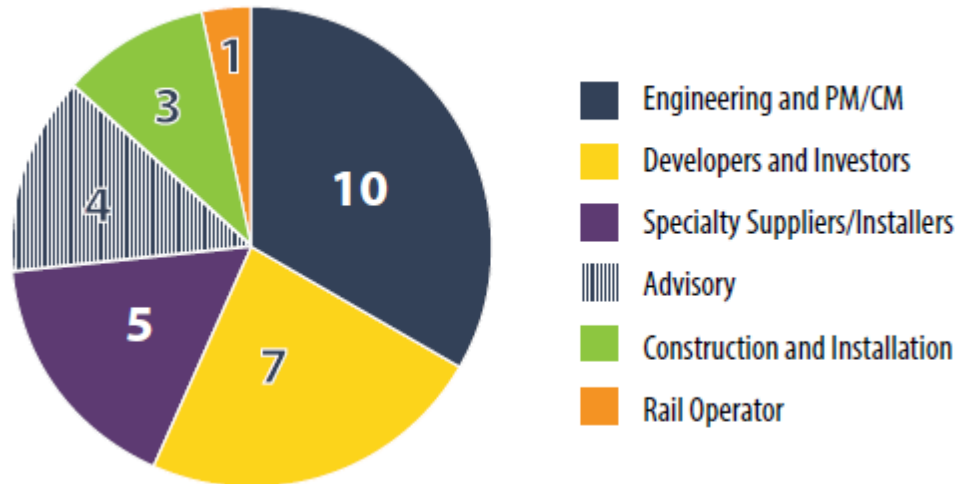
In January 2025 the Authority hosted an Industry Forum over the course of two days with over 400 rail, construction, design and finance professionals to discuss how to build this system smarter and faster. Events included a series of one-on-one meetings with industry experts on topics such as: Funding and financing (including private investment); Track system and track builders (installation); Rail manufacturers; Tunneling; Power generation / renewables; Utilities investigation; Geotech; Infrastructure cost estimators; Maintenance and operations (facilities and trains); Rail systems; Cable manufacturers; Bridges and other structures; System integrators; and Technology and innovation. The feedback gathered has shaped our procurement, design and construction strategies.

In March 2025 the Authority issued the 2025 Project Update Report to meet statutory requirements and to articulate the current vision for delivering the system. In August 2025 the Authority issued a Supplemental Project Update Report that presented multiple paths to advance the program in the Central Valley and beyond to connect in the north and in the south. Involving the private sector is essential for long-term success of the program, making expanded industry engagement a key priority for the CEO and other Authority executives, as further described below.

On June 26, 2025, the Authority released a Request for Expressions of Interest (RFEI) ([RFEI HSR#25-01](#)) (hyperlink) to seek detailed feedback from industry participants on commercial, financial, and technical aspects of upcoming procurements and explore the potential benefits of alternative delivery models. A [Summary of RFEI Responses](#) (hyperlink) was published on September 25, 2025.

The 30 responsive RFEI Respondents fell into the key categories illustrated below:

Exhibit 1: 30 RFEI Respondents by Area of Expertise



Among the key themes articulated by Respondents that are most relevant to the proposed RFQ are the following:

- **Systems Integration and Interface Risks:** Respondents recommend transferring complex integration and interface risks inherent to HSR projects to the private sector, ideally under a single private entity responsible for integrating civil work, rolling stock, track, and systems to mitigate the risks stemming from the fragmentation of the current delivery strategy.
- **Collaboration and Early Contractor / Supplier Involvement:** Early private sector involvement and collaborative delivery models are broadly supported by respondents as a mechanism to jointly optimize the project by allowing for early contractor, supplier, and developer inputs to align the Authority's objectives with the industry's capabilities and mitigate risks. Some challenges may include cost uncertainty, competitive tension and complexity.
- **Public-Private Partnerships (P3s):** P3s, particularly Design-Build-Finance-Maintain (DBFM) or Design-Build-Finance-Operate- Maintain (DBFOM) models with Availability Payments (APs), are supported by the majority of respondents due to their ability to accelerate delivery, optimize lifecycle costs, transfer risks, and attract private capital, with core rail infrastructure and complex extensions considered the most appropriate scopes for this integrated approach.

Prior Board Action

The role of the private sector has been the long-term business model of the Authority. HSRA12-13 Adoption of the revised 2012 Business Plan by the Board resolved that a strong public-private partnership was the foundation of the Authority's business model to design, build, operate, and maintain a high-speed rail system. Further, that the system be funded by a combination of government investments and future revenues from riders that support the investments of capital from the private sector.

Discussion

General requirements for the CDA and the RFQ Responses are laid out in the following sections.

1. *Phased Activities*

There are three phases of activities contemplated, as described below.

- (1) Procurement Phase: From the issuance of the RFQ to the execution of the CDA.
- (2) Co-Development Phase: From execution of the CDA until the end of the CDA term.
- (3) Development Phase: The period starting from execution of a Development Agreement until the end of the term of such Development Agreement

Please note that there may be one or more Development Agreement(s) executed during a period for which the CDA term continues with respect to other Program Segments under consideration for future public-private partnership Development Agreements.

2. *CDP Respondent Team Members*

Each Respondent will be required to include on its team Prime Members in the following disciplines:

- (a) Equity Member(s): The team must include an Equity Member with a direct equity investment interest in a Developer Entity.
- (b) Infrastructure Development: The Lead Developer must be an Equity Member and is expected to lead the Respondent Team.
- (c) Design and Systems Integration: The team must include a Design Prime Member and a Team Member with demonstrated experience and capabilities in systems integration, testing and commissioning.
- (d) Operations: Operations Prime Members must have experience in intercity passenger rail operations, ridership and revenue forecasting, commercial management of revenue and delivery of excellence in customer service; at least one Operations Prime Member must have direct experience operating a high-speed rail service.

3. *Evaluation Criteria*

The proposed evaluation criteria are summarized as follows:

- (a) Respondent Team Composition, Structure, Governance and Experience
- (b) Infrastructure Development Capability and Experience
- (c) Design Capability and Experience
- (d) Rail Operations, Commercial Management & Customer Service Delivery Experience
- (e) SB Experience and Approach
- (f) Financial Capability and Experience

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. Within the P3 Agreement, small business participation will still follow Authority guidelines.

Budget and Fiscal Impact

The initial Co-Development Work will be funded with Authority state funds and is initially planned to be less than the \$25 million threshold delegated to the Authority's CEO. In the event the contracted value is planned to exceed this threshold, Staff will return to the Board for approval.

Recommendations

There are no Board Actions requested at this time.

Attachments

- CDA Procurement PowerPoint Presentation
- Draft CDA RFQ Term Sheet