CALIFORNIA High-Speed Rail Authority

Briefing: October 28, 2026, Board Meeting
Agenda Item #4

TO: Chair Kawa and Board of Directors

FROM: Mark Tollefson, Chief of Staff

DATE: October 28, 2026

RE: Consider Providing Approval to Award and Execute the High-Speed Trainsets and Related Services Contract, HSR23-18

Summary

Staff recommends that the Board of Directors (Board) authorize the Chief Executive Officer (CEO) to award and execute the Trainsets Contract to the Apparent Best Value Proposer, Siemens Mobility, Inc, for the following distinct categories of work:

(1) $281,700,000 for manufacturing, delivery, and commissioning of three trainsets;

(2) $284,100,000 for service mobilization and full service, spare parts, and 10 years of maintenance; and

(3) $206,300,000 in provisional sums for escalation, foreign exchange, taxes, and other items.

Staff also recommend that the Board authorize the CEO to issue Notices to Proceed (NTP) 0 through 5, inclusive, to advance this work and permit Authority staff to make non-substantive appropriate changes to the Trainsets Contract as needed for execution.

Staff also recommends that the Board separately authorize a contingency account for the CEO to settle import duties and tariffs up to $63,700,000 related to deliveries associated with the Trainsets.

Staff also recommends, as a result of the approval of this item, to increase the Program Baseline and Budget by $195,900,000.

The Trainsets Contract is a supply-maintain contract to provide Trainsets and related services and was procured using a two-step procurement process that included a Request for Qualifications and a Request for Proposals.

Background

The Authority is granted in statute the power to enter into contracts with private and public entities for the design, construction, and operation of high-speed rail trains, pursuant to California Public Utilities Code section 185034 and 185036. Provision of trainsets is critical to the operation of the high-speed rail system. The purchase of trainsets is a priority to get the Merced to Bakersfield Early Operating Segment (EOS) operational by 2033.

Prior Board Action

On June 24, 2026, the Board accepted the 2026 Program Baseline and Budget (Agenda Item 2) which established a $35.66 billion capital expenditure plan… This item also seeks Board approval to increase the previously approved Program Baseline by $195,900,000 in connection with the award and execution of the Trainsets Contract—increasing the Program Baseline and Budget to approximately $35.86 billion.

On August 24, 2023, the Board approved the release of the Request for Qualifications for High-Speed Trainsets and Related Services. On April 11, 2024, the Board approved the shortlist of Proposers and approved release of the Request for Proposals for High-Speed Trainsets and Related Services.

Discussion

Authority staff seek approval to award and execute the contract for HSR23-18 for Trainsets, and approval to issue Notices to Proceed 0 through 5, inclusive. Staff also seek authorization to pay required import duties and tariffs associated with the Trainsets Contract.

Scope of Work

The Trainsets scope of work includes design, manufacture, delivery, testing, and maintenance of high-speed trainsets for use on the California High-Speed Rail System. The Trainsets Contract also includes provisioning of spare parts, preventative and corrective maintenance, and scheduled overhauls. Siemens Mobility, Inc. will provide on-site support for alignment and testing of interfaces on Authority track.

The Trainsets Contract scope of work will be progressed through multiple notices to proceed, as outlined below:

NTP 0: Early works

NTP 1: Production and Service pre-mobilization

NTP 2: Service Mobilization

NTP 3: Start of Maintenance Service

NTP 4: Start of Authority Test Phase

NTP 5: Start of Revenue Service

The Trainsets Contract also includes options to provide up to 19 additional trainsets at prices set in the contract and service extensions in five-year increments, up to a total of 30 years. Authorization for these options is not included in this request, and staff will return to the Board to request authorization to exercise these options.

Small Business Requirements

The initial three trainsets will be manufactured in Germany. Small business participation requirements will apply to eligible subcontracting opportunities associated with the contract, consistent with applicable Authority policies and contractual requirements.

Tariffs

As final design, manufacture, and factory tests will occur in Germany, Authority staff request authorization to pay import duties and tariffs required to deliver the trainsets to California for final testing and commissioning that will occur in California. Import duties and tariffs are currently estimated at 20% of the cost of the trainsets, with a not-to-exceed authorization request for $63,700,000. Import duties and tariffs will be paid directly to the US government or through a customs broker.

Procurement Evaluation

The supply-maintain procurement utilized a two-step procurement process consisting of:

1. RFQ: The Authority solicited SOQs and shortlisted both teams based on qualifications, experience, and demonstrated capability.
2. RFP: The Authority issued the RFP to shortlisted teams only.

The Authority received a proposal from one of the two shortlisted firms, Siemens Mobility

Inc. Using the evaluation criteria in the RFP, Siemens Mobility, Inc. was identified as the Apparent Best Value Proposer.

Subsequently, the Authority exercised its reserved rights under the RFP to request a Best and Final Offer (BAFO). Following the BAFO process and evaluation of the resulting proposal, Siemens Mobility, Inc. was confirmed as the Apparent Best Value Proposer.

Legal Review

The Legal Office has reviewed, and this item complies with Authority policy. The Legal Office has reviewed the Trainsets Contract and the relevant laws, regulations, and policies, and deems this contract to be legally sufficient for execution.

Budget and Fiscal Impact

The budget for Trainsets was estimated in two separate areas, the Capital Expenditure plan and the Operational Expenditure plan as part of the 2026 Business Plan. This item seeks to bring first-in-the-nation high-speed rail trainsets to California. Entering into this contract will require an increase in the Program Baseline and Budget of approximately $195,900,000 (increasing the Program Baseline and Budget to $35.86 billion) as part of the agreement due to the inclusion of full service, spare parts, and maintenance for ten (10) years that was estimated within the Operational Expenditure plan and now will be shifted to the Capital Expenditure plan.

Funding to cover this contract comes from the Authority's commitment of Cap and Invest greenhouse gas reduction funds.

Recommendations

Staff recommends Board approval for the following:

(1) The CEO, or designee of the CEO, is hereby authorized to award and execute a contract to the apparent best value proposer, Siemens Mobility, Inc. for a total contract value not to exceed $772,100,000, including over the following subtotals:
   a. A lump sum amount of $281,700,000 for manufacturing, delivery, and commissioning of three trainsets;
   b. A lump sum amount of $284,100,000 for service mobilization and full service, spare parts, and 10 years of maintenance; and

c. An amount not-to-exceed $206,300,000 million in provisional sums for escalation, foreign exchange, taxes, and other items.

(2) The CEO, or designee of the CEO, is hereby authorized to make non-substantive changes to the Trainsets Contract as needed for execution.

(3) The CEO, or designee of the CEO, is hereby authorized to issue Notices to Proceed 0 through 5, inclusive, as needed to advance the work of the Trainsets Contract.

(4) The CEO, or designee of the CEO, is hereby authorized to pay required import duties and tariffs related to deliveries associated with the Trainsets Contract in an amount not-to-exceed $63,700,000.

(5) The Board hereby approves an increase to the Program Baseline in the amount of $195,900,000 associated with the award of the HSR23-18 Trainsets Contract.

Attachments

- HSR23-18 Trainsets Contract PowerPoint Presentation
- Draft Board Resolution #HSRA 26-17 Approval to Award and Execute Contract HSR23-18 for Trainsets