



## California High-Speed Rail BRIEFING: August 24, 2023 Board Meeting Agenda Item #2

**TO:** Chairman Richards and Board Members

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

**DATE:** August 24, 2023

**RE:** Consider Providing Approval to Release a Request for Qualifications for a Supply-Maintain Contract for High-Speed Trainsets and Related Services

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### Summary

Staff recommends that the Board approve the issuance of a Request for Qualifications (RFQ) for a supply-maintain contract for the provision of high-speed trainsets, driving simulator, and related services. Upon receipt of Statements of Qualifications (SOQ), the Authority will determine those Contractors that are deemed qualified to deliver the work. This shortlist of qualified contractors will be presented to the Board in a future action, along with a request to proceed with the Request for Proposals (RFP) for the supply-maintain contract.

### 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. The Authority aims to complete construction and begin train testing on the first 119-mile segment between Madera and Poplar Avenue by the end of 2028 and begin revenue operations between 2030 and 2033 on the full 171-mile segment between Merced, Fresno, and Bakersfield. The initial 119-mile segment is a crucial part of these goals, as it will be the test track. The track, traction power, overhead contact system (OCS), signaling, communications, and trains must all be tested extensively to achieve certification from the Federal Railroad Administration. Getting a high-speed train manufacturer under contract in 2024 is a critical step in this process.

The Authority's future trainset manufacturer must engage early with the Authority's future designers and contractors delivering the track, OCS, systems, and traction power elements. The Board will be asked to consider release of these procurements in the coming months.

In accordance with section 185036 of the California Public Utilities Code, and upon approval of the Board, the Authority will request SOQs from teams capable of providing services for the provision of the high-speed trainsets, a driving simulator, and related services. The Authority will evaluate the SOQs it receives in response to this RFQ, according to criteria set forth therein, and will establish a shortlist of the most qualified offerors. Offerors included on the shortlist will be invited to submit detailed proposals in response to an RFP, following Board approval.

Prior Board Action

In 2013, Resolution #HSRA 13-25 authorized a joint procurement with Amtrak. Due to funding constraints, the Authority decided to exit the trainset joint procurement to focus on delivery of the civil packages.

## **Discussion**

The provision of trainsets is on the critical path for the Authority to meet its commitments to the Federal Railroad Administration (FRA) per its federal grants. This requires completion of dynamic testing of the track and systems by December 31, 2028, leading to revenue service between 2030 and 2033. The selection of a trainset contractor is critical to the development of design criteria to ensure correct and complete integration of the trainsets with the track and systems. The delivery of the trainsets in 2028 is necessary to enable the static and dynamic testing of the track and systems. To meet these goals, a trainset manufacturer must be under contract in 2024.

This RFQ is the first step, allowing the Authority to create a shortlist of qualified entities and be ready to release the trainsets RFP once more funding is secured.

With Board approval, the Authority seeks to identify qualified offerors ahead of the announcement of funding awards in response to Authority's Federal-State Partnership Grant application submitted April 21, 2023. This pre-positioning will allow the Authority to seek Board approval of the shortlist and request to release the RFP soon after Federal grant, or other funding for the trainset procurement has been identified.

Prior to release of the RFP, the Authority will seek FRA review and also notify appropriate joint committees in the Legislature.

## ***Scope of Work***

The scope of work for the future trainsets contract is anticipated to include the following:

- the design, manufacture, storage (prior to conditional acceptance), integration, testing, and commissioning of the trainsets;
- maintenance of each trainset for 30 years and provision of all spares (i.e., interchangeable parts of a trainset) for such trainsets;
- the provision, testing, commissioning, maintenance, and update of the driving simulator;
- development and provision of design criteria to inform interfaces with the facilities, track, and systems;
- participating in the testing and commissioning of the facilities, track, and systems, and stations;
- the development and provision of information as required by law to support the certification and subsequent commissioning of the trainsets; and
- the operation and maintenance of the facilities (to be built by others).

Authority plans to release the work in accordance with the following schedule of Notices to Proceed (NTPs):

- NTP 1: The first Notice to Proceed that the Authority anticipates issuing for the work. This will include development and provision of design criteria to inform interfaces with the facilities, track, and systems contracts and stations.
- NTP 2: The second Notice to Proceed that the Authority anticipates issuing for the work. This will include the delivery of two prototype trainsets and spares.
- NTP 3: The third Notice to Proceed that the Authority anticipates issuing for the work. This will include the delivery of the driving simulator.
- NTP 4: The fourth Notice to Proceed that the Authority anticipates issuing for the work. This will include the delivery of four production trainsets.
- Option Order: Additional NTP(s) may be issued for the delivery of an option order of up to six additional trainsets.

The NTPs listed above may be executed in a different order and may be modified in the RFP. Should the Authority participate in a joint procurement for high-speed trainsets, the trainset quantities may increase according to the needs of the joint procurement partner.

**Small Business Requirements**

As provided in the draft RFQ, this 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 contractor will include the Board’s adopted 30 percent SB utilization goal, which includes a 10 percent race-neutral DBE participation goal and a 3 percent DVBE goal.

**Procurement Schedule**

The anticipated schedule for this procurement is as follows:

<b>Activity</b>	<b>Date</b>
RFQ advertised on Cal eProcure	August 25, 2023
Virtual Pre-Bid Conference and Small Business Informational Workshop	September 6, 2023
SOQs due	November 14, 2023
Shortlist and RFP advertised, pending funding and Board approval	January 2024
Proposals due	May 2024
Board approval to award contract	Q3 2024
NTP 1 issued	Q3 2024

**Procurement Evaluation Criteria**

The RFQ process will be managed by the Authority. SOQs submitted by the offerors will be reviewed to ensure that all technical, requisite qualifications, and other requirements are met. The financial capacity of offerors will be required as a minimum qualification and will be evaluated on a pass/fail basis.

The RFQ contains a pass-fail criterion requirement related to each offeror’s environmental, social, and governance (ESG) efforts, which may include any environmental sustainability efforts, socio-economic equity policies, and governance policies, or a report that conforms to certain sustainability frameworks identified in the RFQ. For purposes of this requirement, “socio-economic equity” means making opportunities and benefits available to all applicants, employees, and affected community members regardless of socioeconomic status and decision-making that balances the effects of decisions on vulnerable and underserved communities and individuals regardless of income, race, ethnicity, age, gender, or other factors. The social factors of the ESG criterion complies with Article I, Section 31, of the California Constitution, which was added by Proposition 209 in 1996 and prohibits discrimination or “preferential treatment” on the basis of race, sex, color, ethnicity or national origin in public contracting.

The SOQs will then be evaluated and scored by the Evaluation Selection Committee pursuant to established criteria in the RFQ, which will include the following:

<b>Technical Scoring Criteria</b>	<b>Possible Points</b>
<b>1. Management Competence – Delivery Period</b> 1.1 Integration and Certification (30 points) 1.2 Program Management (25 points) 1.3 Organizational Structure (15 points) 1.4 Trainset Engineering (20 points)	90
<b>2. Trainset Management – Delivery Period</b> 2.1 Maintenance Competence (20 points) 2.2 System Integration/RAMS (12.5 points) 2.3 Operational Competence (17.5 points)	50
<b>3. Technical Competence – Delivery Period</b> 3.1 Trainset Technical Competence (60 points)	60
<b>4. Management Competence – Service Period</b> 4.1 Integration (12 points) 4.2 Program Management (24 points) 4.3 Organizational Structure (9 points) 4.4 Trainset Engineering (15 points)	60
<b>5. Trainset Management – Service Period</b> 5.1 Maintenance Competence (30 points) 5.2 System Integration/RAMS (18 points) 5.3 Operational Competence (52 points)	100
<b>6. Technical Competence – Service Period</b> 6.1 Trainset Technical Competence (40 points)	40
<b>TOTAL POSSIBLE POINTS</b>	<b>400</b>

At the conclusion of the SOQ review, the Evaluation Selection Committee will rank the offerors on the basis of total score and recommend to the Chief Executive Officer the proposed shortlist for invitation to participate in the RFP.

### **Legal Approval**

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

### **Budget and Fiscal Impact**

The RFQ process by itself will not result in an Authority commitment or expenditure of funding, as that will instead occur through the secondary RFP process.

The 2023 Project Update Report capital cost estimate included a total of \$661 million for the procurement of six high-speed rail trainsets, a driving simulator, and a Trainset Certification Facility (TCF) for train testing. Of the \$661 million, \$561 million was estimated for six high-speed rail trainsets, and \$100 million was estimated for the driving simulator and TCF.

The Board’s March 2023 approval of an Expenditure Authorization of \$20.01 billion did not include the budget for high-speed rail trainsets. The Authority recently submitted a Federal-State Partnership grant application requesting \$449 million to fund 80 percent of this high-speed rail trainset costs. Staff will return to the Board to request approval of an adjustment to the Expenditure Authorization to add the high-speed rail trainsets scope before or concurrent with the release of the trainsets RFP, which is expected to occur after a federal grant determination.

REVIEWER INFORMATION	SIGNATURE
Reviewer Name and Title: Brian Annis Chief Financial Officer	Signature verifying budget analysis:
Reviewer Name and Title: Alicia Fowler Chief Legal Counsel	Signature verifying legal analysis:

**Recommendations**

Staff recommends that the Board approve the issuance of the RFQ for the Supply-Maintain Contract for High-Speed Trainsets and Related Services, and authorize staff to make appropriate changes to the RFQ as part of the procurement process. Staff anticipates returning to the Board for approval of the shortlist and release of the RFP in early 2024.

**Attachments**

- PowerPoint Presentation
- Draft Board Resolution
- Draft RFQ for High-Speed Trainsets and Related Services