



# Finance & Audit Committee Update

Mike Rossi, Finance & Audit Committee Chair

Tom Richards, Finance & Audit Committee Vice Chair

January Board Meeting – Agenda Item #3

Byron Sher Auditorium, Cal/EPA

January 13, 2015



# FINANCE & AUDIT COMMITTEE

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## Financial Reporting

- Russell G. Fong, Chief Financial Officer

## Audits

- Paula Rivera, Chief Auditor

## Project Status

- Scott Jarvis, Asst. Chief Program Manager

## Risk Management

- Jon Tapping, Risk Manager

## Financial Reporting

# Chief Financial Officer

- **Financial Risk & Compliance**
  - Effective Financial Risk Management and Compliance
- **Growth & Performance**
  - Managing Operational Performance
- **Core Functions & Back Office**
  - Effective and Efficient Back Office Operations Management
- **Executives, Board, & Other Stakeholders**
  - Delivering Strategic Growth, Value, and Better Decision Making

# Chief Financial Officer

## Financial Reports

- Manage Operational Performance
- Tracks and Monitors Performance and Growth
- Enhances Decision Making Process
- Accurate and Transparent Financial Reporting
- Financial Oversight
- Supports Back Office Operations

## Stakeholders

- Holds Management Fiscally Accountable
- Support the Board's Fiduciary Responsibility
- Informs the Public, Interagency Partners, Employees, and Vendors
- Attracts Potential Investors

# FINANCE & AUDIT COMMITTEE

		<b>CA High-Speed Rail Authority</b> Accounts Payable Aging Report January 2015					
Number of calendar days the invoice is past due	1-30 Days	31-60 Days	61-90 Days	91-120 Days	121 Days -1 Year	>1-3 Years	TOTALS
Regional Consultants /Project Management Team	\$48,296.03	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$48,296.03
Construction/Right of Way	\$29,199.45	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$29,199.45
Resource Agencies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Third-Party Agreements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Administration/Support	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>TOTALS</b>	<b>\$77,495.48</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$77,495.48</b>

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# ACCOUNTS PAYABLE AGING REPORT

## February 2014

- Aged invoices 31 days or more
- \$43 million

## January 2015

- Aged invoices 31 days or more
- \$0

# FINANCE & AUDIT COMMITTEE



## Prop 1A Bond Fund 6043

### Cash Management Report as of December 19, 2014

	Description	Status	Balance
<b>Support</b>			
	Cash balance as of 11/18/14		\$ 3,535,375
Cash Out	Prop 1A Cash Expensed Since 11/18/14		\$ (1,263,474)
Cash Out	*Other Cash Expensed Since 11/18/14		\$ (2,523,981)
	Cash In Since 11/18/14		\$ -
Cash In	Pending Cash In From PTA Loan		\$ 2,523,981
	Cash balance as of 12/19/14		\$ 2,271,901
Cash Out	Claims in Process As of 12/19/14		\$ (38,047)
	Projected Expenditures		\$ (250,000)
	Phase II Repayment	Projected	\$ (208,000)
	Phase II	Allocated	\$ (600,000)

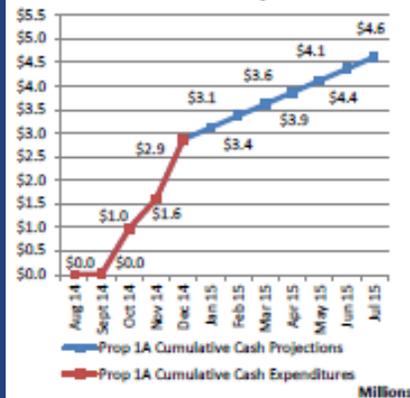
**Total Cash Balance, Adjusted** \$ 1,175,855

<b>Reimbursements To be Submitted</b>		
Cash In	Reimbursement due from SJRRRC	\$ 470,000
	<b>Total Outstanding Reimbursements to be Requested</b>	<b>\$ 470,000</b>

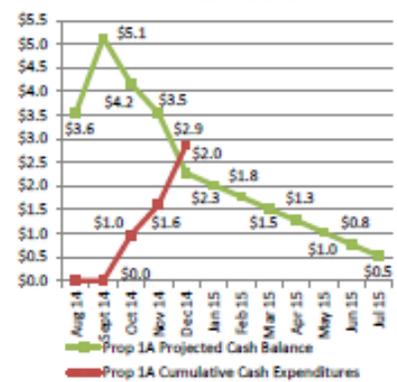
\*Cash Expensed includes \$2.5M in PTA Loan Expenditures that will be paid back to Prop 1A.

**Cash Balance Upon Receipt of Reimbursements** \$ 1,645,855

Cumulative Cash Projections



Cumulative Cash Balance



\*Cumulative Cash Projections on chart does not include \$2.5M in PTA Loan Expenditures that will be paid back to Prop 1A.

# FINANCE & AUDIT COMMITTEE

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## CASH MANAGEMENT REPORT – PROP 1A Bond Fund

- Monitors: Cash In & Cash Out
- Cash Projections Chart (left chart)
  - Projected vs Actual Cash Expenditures
- Cash Balance Chart (right chart)
  - Projected Cash Balance vs Actual Cash Expenditures
    - Current Prop 1A funds in FY 2015-16 for Capital Outlay
    - Bond sales anticipated in FY 2015-16

# FINANCE & AUDIT COMMITTEE

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## CASH MANAGEMENT REPORT – Funding Sources

### ➤ Prop 1A

- \$2.6B in Construction and ROW Acquisition
- \$377.6M in Planning

### ➤ Cap & Trade

- FY 2014-15: \$250M
- FY 2015-16: \$400M (one-time) plus Continuous Appropriation of 25% of Auction Proceeds

### ➤ Federal Funds

- ARRA: \$2.55B (expires 9/30/2017)
- FY10: \$928.6M (expires 12/31/2018)

### ➤ Public Transportation Account (PTA) Loan

- FY 2014-15: \$29.3M

# FINANCE & AUDIT COMMITTEE

## Summary of YTD Budget and Expenditures by Program January 2015



Program	Branch Office	Annual Budget	YTD Expenditures	% of YTD Expenditures
10	<b>Administration</b>	\$25,065,000		
	<b>Fixed Expenditures:</b>			
	Personnel Services	\$18,563,000	\$7,350,020	39.60%
	Rent	\$1,370,340	\$641,564	46.82%
	Contracts	\$2,510,070	\$1,180,473	47.03%
	<b>Variable Expenditures:</b>			
	Travel In-State	\$171,000	\$63,547	37.16%
	Travel Out-of-State	\$33,100	\$10,872	20.47%
	Operating (ie office supplies, training, IT)	\$2,397,490	\$280,508	
			<b>\$9,526,984</b>	<b>38.01%</b>
20	<b>Program Management Oversight</b>	\$1,000		
	The Program Management Oversight Contract provides support to the Project Delivery Division and operations related to the Initial Construction Section and Design-Build Contracts		\$1,000	100.00%
			<b>\$1,000</b>	<b>100.00%</b>
30	<b>Public Information &amp; Communications</b>	\$500,000		
	The Public Information & Communications Contract provides support to the regional communication efforts including: Strategy Development, Outreach Efforts, Printing Production & Distribution and Logistics Support		\$20,700	4.14%
			<b>\$20,700</b>	<b>4.14%</b>
40	<b>Fiscal &amp; Other External Contracts</b>	\$3,750,000		
	The Financial Consulting provides procurement support through the Design-Build process		\$1,117,595	29.80%
			<b>\$1,117,595</b>	<b>29.80%</b>
	<b>Summary of Budgets</b>	<b>\$29,316,000</b>	<b>\$10,666,279</b>	<b>36.38%</b>
			<b>Percentage of the Fiscal Year 2014-15 Completed</b>	<b>41.7%</b>
			<b>Percentage of Total Budget Expended Fiscal Year 2014-15</b>	<b>36.4%</b>
			<b>Percentage of Total Budget Expended Fiscal Year 2013-14</b>	<b>19.4%</b>

# FINANCE & AUDIT COMMITTEE

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## SUMMARY OF YTD BUDGET & EXPENDITURES REPORT

- **Monitors the State Administrative Budget by Program**
  - 10 - Administration: \$25,065,000
    - Fixed: Personnel Services, Rent, Contracts
    - Variable: In-State & Out-of-State Travel
  - 20 - Program Management Oversight; \$1,000
  - 30 - Public Information & Communications: \$500,000
  - 40 - Fiscal & Other External Contracts: \$3,750,000
- **State Administrative Budget: \$29,316,000**
- **Expenditures Year-To-Date: \$10,666,279**
  - 36% of budget for Year-To-Date FY 2014-15 (as compared to 19% in FY 2013-14)
  - 42% of the Fiscal Year completed

# FINANCE & AUDIT COMMITTEE

CA High-Speed Rail Authority  
FY 2014-15  
Budget and Expenditure Report  
January 2015

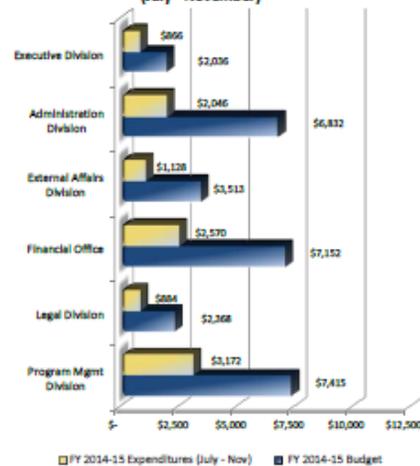


## Budget Summary

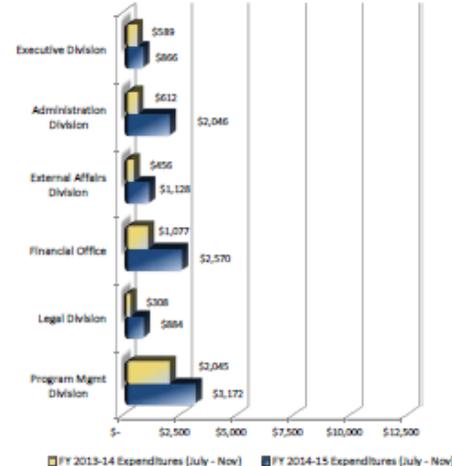
Current Year 2014-15 (Thousands)	FY 2014-15		YTD		YTD % of Budgeted Expenditures (C / A)	FY 2014-15		2014-15 YTD Expenditures & Forecast (C + D)
	Total Budget	Prior Month Expenditures (November)	FY 2014-15 Expenditures (July - November)	Total Remaining Budget (A - C)		Forecast (December - June)		
	A	B	C	(A - C)		D		
Executive Division	\$2,036	\$186	\$866	\$1,170	42.6%	\$1,302	\$2,168	
Administration Division	\$6,832	\$587	\$2,046	\$4,786	29.9%	\$3,702	\$5,748	
External Affairs Division	\$3,513	\$226	\$1,128	\$2,385	32.1%	\$2,275	\$3,403	
Financial Office	\$7,152	\$629	\$2,570	\$4,582	35.9%	\$4,670	\$7,240	
Legal Division	\$2,368	\$163	\$884	\$1,484	37.3%	\$1,463	\$2,347	
Program Management Division	\$7,415	\$940	\$3,172	\$4,243	42.8%	\$5,001	\$8,173	
<b>TOTAL</b>	<b>\$29,316</b>	<b>\$2,732</b>	<b>\$10,666</b>	<b>\$18,650</b>	<b>36.4%</b>	<b>\$18,413</b>	<b>\$29,079</b>	

Prior Year 2013-14 (Thousands)	FY 2013-14		YTD		YTD % of Budgeted Expenditures (C / A)	FY 2013-14		2013-14 YTD Expenditures & Actuals (C + D)
	Total Budget	Prior Month Expenditures (November)	FY 2013-14 Expenditures (July - November)	Total Remaining Budget (A - C)		Actuals (December - June)		
	A	B	C	(A - C)		D		
Executive Division	\$2,000	\$167	\$589	\$1,411	29.4%	\$926	\$1,515	
Administration Division	\$6,277	\$119	\$612	\$5,665	9.7%	\$5,752	\$5,666	
External Affairs Division	\$1,821	\$85	\$456	\$1,365	25.0%	\$1,474	\$1,559	
Financial Office	\$6,971	\$151	\$1,077	\$5,894	15.5%	\$5,963	\$6,114	
Legal Division	\$2,407	\$67	\$308	\$2,099	12.8%	\$2,264	\$2,330	
Program Management Division	\$6,722	\$301	\$2,045	\$4,677	30.4%	\$5,053	\$5,354	
<b>TOTAL</b>	<b>\$26,198</b>	<b>\$890</b>	<b>\$5,087</b>	<b>\$21,112</b>	<b>19.4%</b>	<b>\$21,432</b>	<b>\$22,538</b>	

Expenditures vs. Total Budget  
FY 2014-15  
(July - November)



Comparison of YTD  
Expenditures YOY,  
(July - November)



# BUDGET AND EXPENDITURE REPORT

- Expenditures include actuals and accruals which are monitored and reported on a monthly basis
- Spending to budget for YTD 2014-15 has improved year over year from \$5.1M to \$10.7M YTD Year Over Year
- On track to expend within HSR's appropriation of \$29.3M

# FINANCE & AUDIT COMMITTEE



## California High-Speed Rail Authority 2014-15 Budget & Expenditure Summary Executive Summary - All Divisions January 2015

Chief Executive Officer  
Jeff Morales  
and  
Chief Deputy Director  
Dennis Trujillo

Code Number	Description	FY 2014-15 Total Budget	Prior Month Expenditures (Nov)	YTD Expenditures (July - Nov)	Total Remaining Budget	FY 2014-15 Forecast	YTD Expenditures & Forecast
003	Salaries and Wages	\$13,229,000	\$1,002,981	\$5,175,370	\$8,053,630	\$7,906,930	\$13,082,300
	Benefits <sup>1</sup>	\$5,334,000	\$434,930	\$2,174,650	\$3,159,350	\$3,320,911	\$5,495,561
	<b>TOTAL PERSONAL SVCS <sup>2</sup></b>	<b>\$18,563,000</b>	<b>\$1,437,911</b>	<b>\$7,350,020</b>	<b>\$11,212,980</b>	<b>\$11,227,841</b>	<b>\$18,577,861</b>
201	GENERAL OFFICE EXPENSE	\$191,754	\$26,540	\$33,918	\$157,836	\$101,882	\$135,800
239	BOARD COSTS <sup>3,4</sup>	\$109,000	\$2,212	\$3,397	\$105,603	\$22,033	\$25,430
241	PRINTING	\$100,000	\$227	\$4,450	\$95,550	\$6,230	\$10,680
251	COMMUNICATIONS	\$66,000	\$12,362	\$28,113	\$37,887	\$32,000	\$60,113
261	POSTAGE	\$10,000	\$1,320	\$4,668	\$5,332	\$5,332	\$10,000
291	TRAVEL, IN-STATE	\$171,000	\$9,552	\$63,547	\$107,453	\$93,942	\$157,489
311	TRAVEL, OUT-OF-STATE	\$53,100	\$1,222	\$10,872	\$42,228	\$34,967	\$45,839
331	TRAINING	\$69,600	\$4,140	\$13,116	\$56,484	\$20,175	\$33,291
343	RENT - BUILDING AND GROUNDS	\$1,370,340	\$204,559	\$641,564	\$728,776	\$728,776	\$1,370,340
382	INTERDEPARTMENTAL CONTRACTS	\$2,510,070	\$612,948	\$1,180,473	\$1,329,597	\$2,184,597	\$3,365,070
402	EXTERNAL CONTRACTS	\$4,251,000	\$326,332	\$1,139,295	\$3,111,705	\$3,111,705	\$4,251,000
428	CONSOLIDATED DATA CENTERS	\$306,500	\$223	\$56,719	\$249,781	\$143,281	\$200,000
431	DATA PROCESSING	\$1,544,636	\$92,660	\$136,127	\$1,408,509	\$700,000	\$836,127
	<b>TOTAL OP EXP &amp; EQUIP</b>	<b>\$10,753,000</b>	<b>\$1,294,297</b>	<b>\$3,316,259</b>	<b>\$7,436,741</b>	<b>\$7,184,920</b>	<b>\$10,501,179</b>
	<b>TOTALS</b>	<b>\$29,316,000</b>	<b>\$2,732,208</b>	<b>\$10,666,279</b>	<b>\$18,649,721</b>	<b>\$18,412,761</b>	<b>\$29,079,039</b>

Percentage of Personal Services Budget Expended 40%

Percentage of Operating Expenses & Equipment Budget Expended 31%

Percentage of Total Budget Expended 36%

<sup>1</sup> For use of benefits only

Percentage of the Fiscal Year Completed 42%

<sup>2</sup> Salaries/Wages and Benefits are projected to be over budget due to a 2% General Salary Increase (GSI).

Per CalHR Pay Letter 14-08, "Effective July 1, 2014 the California Department of Human Resources (CalHR) has approved a 2% GSI for several CA High-Speed Rail Authority Bargaining Units". However, the High-Speed Rail Authority will not receive an increase in the Public Transportation Account Loan appropriation of \$29,316,000 for the GSI

<sup>3</sup> Per Public Utilities Code Section 185022 (a): Each Board Member of the Authority shall receive compensation of one hundred dollars (\$100) for each day that a Board Member is attending to the business of the Authority, but shall not receive more than five hundred dollars (\$500) in any calendar month. (9 Board Members x \$500 a month x 12 months = \$54,000)

<sup>4</sup> Board Costs line item includes a budgeted amount of \$55,000 to cover Board related expenses. (Venue Rental \$5,000 Transcriptionist \$15,000 CHP \$10,000 and In-State Travel/Lodging \$25,000)

# FINANCE & AUDIT COMMITTEE

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## BUDGET AND EXPENDITURE SUMMARY

- An increase in salary and benefits has been offset by personnel vacancies for YTD 2014-15
- Lower than projected consolidated data center and data processing costs (\$800K) have largely offset higher than projected interdepartmental contract costs (\$900K)
- Board Costs
  - Each Board Member of the Authority shall receive compensation of \$100 for each day that a Board Member is attending to the business of the Authority, but shall not receive more than \$500 in any calendar month
    - 9 Board Members x \$500 a month x 12 months = \$54,000
  - Board Costs include a budgeted amount of \$55,000 to cover Board related expenses
    - Venue Rental \$5K, Transcriptionist \$15K, CHP \$10K, and In-State Travel/Lodging \$25K

# FINANCE & AUDIT COMMITTEE



## California High-Speed Rail Authority 2014-15 Position Summary and Vacancy Report Executive Summary Report January 2015

Chief Executive Officer  
Jeff Morales  
and  
Chief Deputy Director  
Dennis Trujillo

	Alloted		Revised					YTD Expenditures
	Total Positions Authorized	Budget Act	Total Positions Authorized	Total Vacant Positions	Prior Month Vacant Positions	Total Vacancy Rate	Prior Month Vacancy Rate	
<b>All Divisions</b>								
Executive Office	14.0	\$1,438,869	14.0	1.0	1.0	7.1%	7.1%	\$598,894
Administration Office	26.0	\$1,741,465	26.0	4.0	3.0	15.4%	11.5%	\$686,107
External Affairs Office	28.0	\$2,153,039	28.0	8.0	7.0	28.6%	25.0%	\$769,849
Financial Office	42.0	\$2,284,695	42.0	3.0	3.0	7.1%	7.1%	\$967,399
Legal Office	6.0	\$593,976	6.0	0.0	1.0	0.0%	16.7%	\$234,061
Program Management Office	58.0	\$5,016,956	58.0	8.0	11.0	13.8%	19.0%	\$1,919,060
<b>Total</b>	<b>174.0</b>	<b>\$13,229,000</b>	<b>174.0</b>	<b>24.0</b>	<b>26.0</b>	<b>13.8%</b>	<b>14.9%</b>	<b>\$5,175,370</b>
	<b>174.0</b>		<b>174.0</b>	<b>24.0</b>	<b>26.0</b>	<b>13.8%</b>	<b>14.9%</b>	<b>Balance \$8,053,630</b>

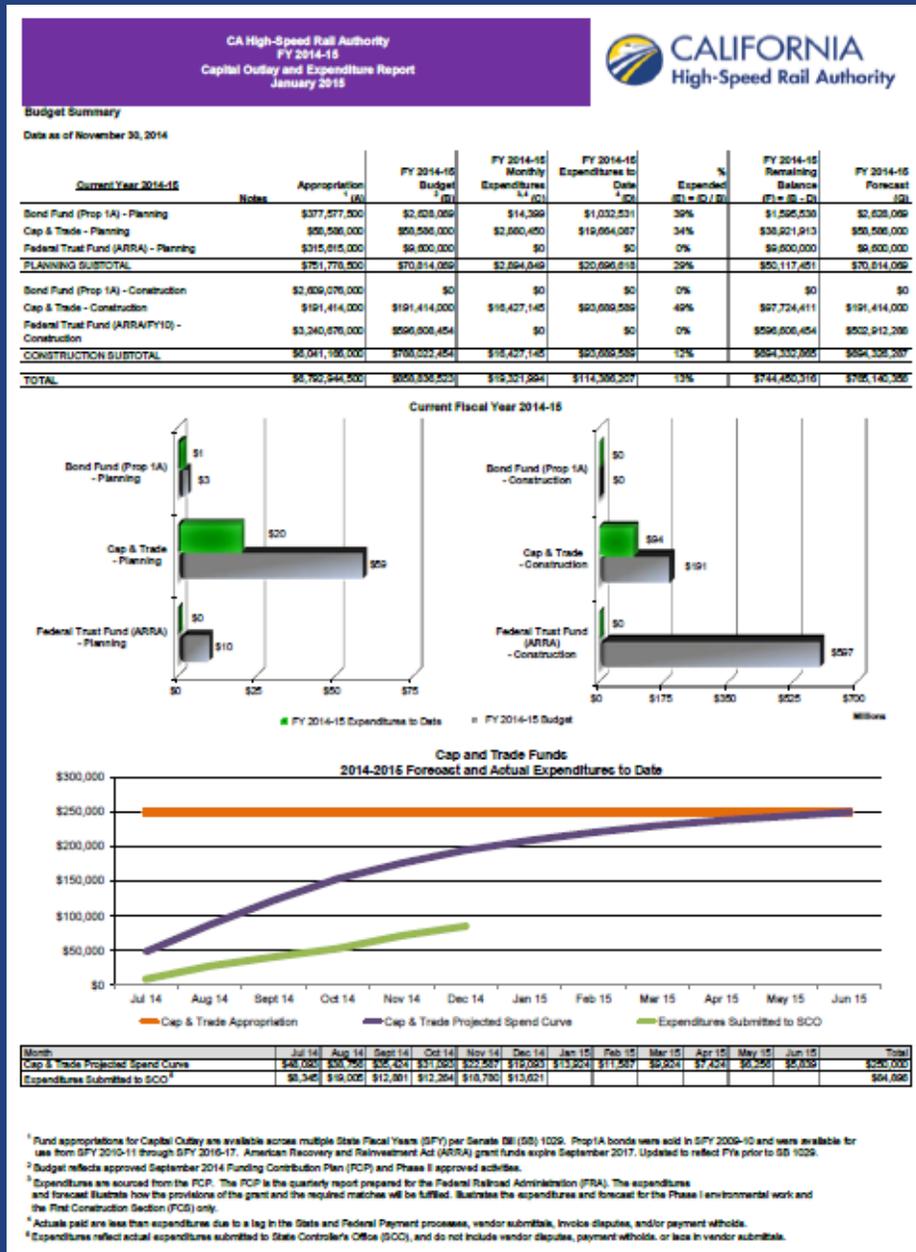
# FINANCE & AUDIT COMMITTEE

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## POSITION SUMMARY AND VACANCY REPORT

- HSR has 174 authorized positions with 24 in the process of being filled
- Current vacancy rate is 13.8% (24 vacant positions) compared to a vacancy rate of 48.3% (84.5 vacant positions) at January 2014
- 17 of the 24 current vacant positions will be filled in the next four months, with the other 7 filled within 6 months

# FINANCE & AUDIT COMMITTEE



# FINANCE & AUDIT COMMITTEE

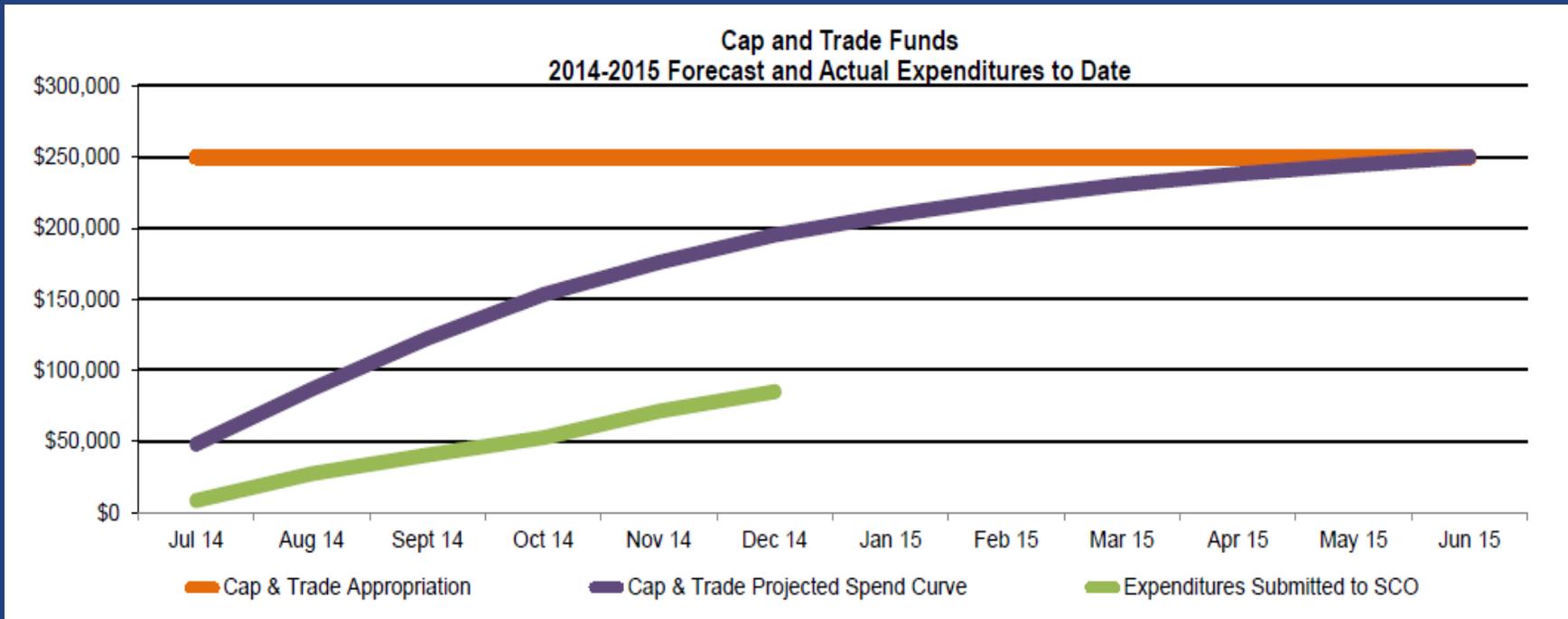
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## CAPITAL OUTLAY AND EXPENDITURE REPORTS

- 10 reports detail the capital outlay project by current FY vs the total project, planning vs construction, and by source of funding
- Total expenditures for the year are 13%
- The Merced to Fresno segment is \$37K over budget due to higher than anticipated costs to certify the environmental milestone document (Record of Decision – ROD)
- The Fresno to Bakersfield segment is \$675K over budget due to higher than anticipated costs to certify the environmental milestone document (Record of Decision – ROD)

# FINANCE & AUDIT COMMITTEE

## CAP AND TRADE – Spend Curve



Month	Jul 14	Aug 14	Sept 14	Oct 14	Nov 14	Dec 14	Total
Cap & Trade Projected Spend Curve	\$48,093	\$38,756	\$35,424	\$31,093	\$22,587	\$19,093	\$195,046
Expenditures Submitted to SCO	\$8,345	\$19,005	\$12,881	\$12,264	\$18,780	\$13,621	\$84,896
% of Cap & Trade Spend Curve Submitted to SCO	17%	49%	36%	39%	83%	71%	44%

# FINANCE & AUDIT COMMITTEE

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## CAPITAL OUTLAY AND EXPENDITURE REPORTS

- **Monitors the Capital Outlay Budget by Fund**
  - Current Year 2014-15 Budget : \$858,836,523 (page 1)
  - Program To Date Budget: \$6,479,741,345 (page 2)
  - **Funds - Total Program Budget (FY 2014-15 Budget):**
    - Planning – State & Federal: Total \$756,988,883 (FY 2014-15: \$70,814,069)
    - Construction – State & Federal: Total \$5,722,752,461 (FY 2014-15: \$788,022,454)
  - **Detailed Breakdown:**
    - Bond – Planning & Preliminary Engineering: Total \$176,588,883 (FY 2014-15: \$2,628,069)
    - Bond – Construction: Total \$2,563,197,231 (FY 2014-15: \$0)
    - Federal Trust – Planning & Preliminary Engineering: Total \$521,814,000 (FY 2014-15: \$9,600,000)
    - Federal Trust – Construction: Total \$2,968,141,230 (FY 2014-15: \$596,608,454)
    - Cap & Trade – Planning & Preliminary Engineering: Total \$58,586,000 (FY 2014-15: \$58,586,000)
    - Cap & Trade – Construction: Total \$191,414,000 (FY 2014-15: \$191,414,000)

# FINANCE & AUDIT COMMITTEE

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## CAPITAL OUTLAY AND EXPENDITURE REPORTS

- Monitors the Capital Outlay Budget by Fund
  - Current Year 2014-15 Budget : 13% (page 1)
  - Program To Date Budget: 12% (page 2)
  - Funds: Percentage of Total Program Expended (FY 2014-15 Expended)
    - Planning – State & Federal: 59% (FY 2014-15: 29%)
    - Construction – State & Federal: 6% (FY 2014-15: 12%)
  - Detailed Breakdown:
    - Bond – Planning & Preliminary Engineering: 11% (FY 2014-15: 39%)
    - Bond – Construction: 0% (FY 2014-15: 0%)
    - Cap & Trade – Planning & Preliminary Engineering: 34% (FY 2014-15: 34%)
    - Cap & Trade – Construction: 49% (FY 2014-15: 49%)
    - Federal Trust – Planning & Preliminary Engineering: 78% (FY 2014-15: 0%)
    - Federal Trust – Construction: 9% (FY 2014-15: 0%)

# FINANCE & AUDIT COMMITTEE



## Total Project Expenditures with Forecasts

Project Management Team (PMT) & Regional Construction (RC) Components by Fiscal Year <sup>(1)</sup>	2008-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	New FYD 14-15 <sup>(2)</sup>	Forecast 14-15 <sup>(3)</sup>	Total 14-15 <sup>(4)</sup>	Total
<b>Program Management (PM)</b>	\$1,927,456	\$7,281,174	\$10,576,828	\$5,789,908	\$88,586,822	\$62,788,275	\$49,121,127	\$57,029,822	\$28,786,554	\$66,025,479	\$62,797,891	\$294,771,482	\$296,771,482
San Francisco - San Jose (SFRJ) <sup>(5)</sup>			\$1,827,862	\$29,729,764	\$29,879,276	\$4,858,522	\$453,940	\$54,025	\$0	\$1,500,000	\$1,500,000	\$46,876,814	\$46,876,814
San Jose - Merced (Panojo) <sup>(6)</sup>			\$934,203	\$14,854,747	\$28,429,744	\$10,615,822	\$11,243,080	\$5,866,518	\$2,174,284	\$1,425,760	\$7,500,000	\$46,776,548	\$46,776,548
Merced - Fresno (MCCOM)		\$454,424	\$454,872	\$1,877,585	\$4,927,244	\$24,472,285	\$28,987,245	\$24,246,269	\$7,343,243	\$977,824	\$43,240	\$2,020,820	\$87,174,205
Fresno - Bakersfield (J-HA)	\$5,084,026	\$184,541	\$4,275,511	\$18,444,965	\$25,426,864	\$27,451,896	\$22,050,868	\$25,248,479	\$4,746,222	\$40,779	\$5,100,000	\$214,524,857	\$214,524,857
Bakersfield - Palmdale (J-HA) <sup>(7)</sup>				\$4,244,774	\$2,440,758	\$4,889,897	\$10,887,880	\$1,574,823				\$24,066,896	\$24,066,896
Bakersfield - Palmdale (TLC) <sup>(8)</sup>								\$1,020,528	\$2,520,067	\$2,677,669	\$4,476,000	\$7,864,509	\$7,864,509
Palmdale - Los Angeles (LCA) <sup>(9)</sup>	\$2,259,477	\$1,474,086	\$1,728,867	\$14,047,316	\$14,476,997	\$12,689,269	\$9,446,909	\$3,864,770	\$4,521,119	\$14,76,800	\$6,478,000	\$66,143,705	\$66,143,705
Los Angeles - Anaheim (LCA) <sup>(10)</sup>	\$1,957,688	\$4,889,854	\$4,496,175	\$12,983,473	\$7,429,489	\$4,081,545	\$2,347,764	\$1,903,340	\$9,28,472	\$7,471,429	\$4,400,000	\$40,761,246	\$40,761,246
Los Angeles - San Diego (LSD) <sup>(11)</sup>	\$484,540	\$439,459	\$1,748,884	\$2,944,447	\$4,264,464	\$477,424	\$1,615,717	\$296,128				\$11,567,476	\$11,567,476
Los Angeles - San Diego (LSDM) <sup>(12)</sup>					\$764,574	\$1,454,471	\$2,881,546	\$1,471,748	\$447,941			\$22,114,227	\$22,114,227
Sacramento - Merced (MCCOM) <sup>(13)</sup>										\$13,428	\$444,764	\$457,819	\$457,819
Sacramento - Merced (MCCOM) <sup>(14)</sup>												\$2,108,497	\$2,108,497
Advanced (MCCOM) <sup>(15)</sup>				\$205,887	\$1,424,470	\$2,487,940	\$1,488,880	\$1,243,903	\$1,400,265	\$248,270	\$248,270	\$2,108,497	\$2,108,497
<b>Totals</b>	\$ 9,427,877	\$ 24,761,549	\$ 27,872,536	\$ 22,969,896	\$ 150,408,628	\$ 126,744,964	\$ 121,248,849	\$ 128,451,674	\$ 55,496,962	\$ 132,262,769	\$ 130,692,770	\$ 1,014,616,228	\$ 1,014,616,228

Source/Notes:  
 (1) Data sourced from SharePoint Cost/Hours Reporting Information System (CHRIS).  
 (2) FY 2014-15 forecasts are currently pending approval of submitted Annual Work Plan Budgets, in process.  
 (3) Some cells indicate the firm was not under contract during that period.  
 (4) Slight increase in Total FY 2014-15 from last of \$127,728 due to adjustments of Project Management Team (Increase) and Merced-Fresno (Decrease) forecasts.  
 (5) Includes SR-99 alignment and 3rd Party (SR) relocation.  
 (6) Adjustments to schedule reduced costs for CP-1, CP-2, RCN, RCM and DR efforts in FY 2014-15.  
 (7) Includes SR-99 alignment and 3rd Party (SR) relocation.  
 (8) Includes SR-99 alignment and 3rd Party (SR) relocation.  
 (9) Includes SR-99 alignment and 3rd Party (SR) relocation.  
 (10) Includes SR-99 alignment and 3rd Party (SR) relocation.  
 (11) Includes SR-99 alignment and 3rd Party (SR) relocation.  
 (12) Includes SR-99 alignment and 3rd Party (SR) relocation.  
 (13) Includes SR-99 alignment and 3rd Party (SR) relocation.  
 (14) Includes SR-99 alignment and 3rd Party (SR) relocation.  
 (15) Includes SR-99 alignment and 3rd Party (SR) relocation.

Bulks +/Forecast

Administrative Budget	2008-07 <sup>(1)</sup>	2007-08 <sup>(1)</sup>	2008-09 <sup>(1)</sup>	2009-10 <sup>(1)</sup>	2010-11	2011-12	2012-13 <sup>(2)</sup>	2013-14 <sup>(2)</sup>	2014-15 <sup>(2)</sup>	New FYD 14-15	Forecast 14-15	Total 14-15 <sup>(3)</sup>	Total
00 - Administration			\$ 1,776,075	\$ 4,278,942	\$ 5,214,204	\$ 7,096,286	\$ 10,470,658	\$ 14,287,249	\$ 19,128,964	\$ 15,822,050	\$ 15,822,050	\$ 71,881,239	\$ 71,881,239
02 - Program Management Oversight						\$ 4,000,000	\$ 4,214,120	\$ 1,000	\$ 1,000	\$ 0	\$ 0	\$ 2,000	\$ 2,000
03 - Public Information & Communications					\$ 1,794,474	\$ 1,405,152	\$ 49,440	\$ 260,000	\$ 26,700	\$ 76,700	\$ 76,700	\$ 4,725,066	\$ 4,725,066
04 - Fiscal & Other Internal Controls					\$ 8,489,288	\$ 1,489,888	\$ 3,844,548	\$ 1,740,000	\$ 1,117,760	\$ 2,640,400	\$ 2,640,400	\$ 10,244,484	\$ 10,244,484
<b>Totals</b>	\$ -	\$ -	\$ 1,776,075	\$ 4,278,942	\$ 11,748,454	\$ 14,827,456	\$ 24,814,706	\$ 22,548,249	\$ 29,546,219	\$ 18,468,219	\$ 18,468,219	\$ 99,359,441	\$ 99,359,441

Source/Notes:  
 (1) Data for Administrative Budget for FY 2008-07 and FY 2007-08 are unavailable.  
 (2) For years prior to FY 2010-11, all costs for the Administrative Budget are displayed in Program 10.  
 (3) All FY 2014-15 figures are from CHRIS Reports, which may not reflect the most recently available expenditure data due to system delays.  
 (4) FY 2014-15 total represents Year to Date (YTD) expenditures and Year-End forecasted expenditures.  
 (5) Prop 1A appropriations to all SR in bonds.  
 (6) Senate Bill 1028 Construction appropriations.

Bulks +/Forecast

Construction and other Program Costs	2008-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	New FYD 14-15	Forecast 14-15	Total 14-15 <sup>(3)</sup>	Total
Resource Agencies for Environmental <sup>(1)</sup>	\$ 22,550	\$ 242,875	\$ 18,085	\$ 14,249	\$ 4,797,417	\$ 4,528,917	\$ 2,091,880	\$ 1,747,853	\$ 82,147	\$ 4,638,628	\$ 4,500,763	\$ 24,887,689	\$ 24,887,689
Legal <sup>(2)</sup>	\$ 492,584	\$ 718,880	\$ 790,651	\$ 6,687,697	\$ 65,149	\$ 297,889	\$ 4,821,244	\$ 5,793,263	\$ 5,582,863	\$ 899,750	\$ 2,474,128	\$ 14,698,909	\$ 14,698,909
Station Area Planning <sup>(3)</sup>										\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000
Southern California Improvements / LUCS <sup>(4)</sup>										\$ 80,000,000	\$ 80,000,000	\$ 80,000,000	\$ 80,000,000
SRFAP					\$ 894,912	\$ -	\$ -	\$ 17,820	\$ -	\$ -	\$ -	\$ -	\$ 877,832
Project Construction Management <sup>(5)</sup>							\$ 53,768	\$ 4,714,425	\$ 2,512,861	\$ 4,347,386	\$ 11,690,027	\$ 16,454,338	\$ 16,454,338
RCM Support Plans <sup>(6)</sup>							\$ 781,250	\$ 1,023,545	\$ 2,897,962	\$ 6,257,284	\$ 4,655,276	\$ 22,480,082	\$ 22,480,082
RCM Acquisition <sup>(7)</sup>							\$ -	\$ 80,142,647	\$ 17,351,224	\$ 287,299,849	\$ 284,455,073	\$ 444,317,329	\$ 444,317,329
Construction DR-CP-1 <sup>(8)</sup>									\$ 82,247,982	\$ 48,424,945	\$ 264,249,549	\$ 494,897,476	\$ 494,897,476
Construction DR-CP-2 <sup>(9)</sup>										\$ 14,776,422	\$ 14,776,422	\$ 14,776,422	\$ 14,776,422
<b>Totals</b>	\$ 553,544	\$ 961,755	\$ 846,826	\$ 4,461,946	\$ 11,131,462	\$ 4,488,280	\$ 17,515,128	\$ 147,715,829	\$ 74,234,971	\$ 124,546,512	\$ 124,546,512	\$ 964,734,767	\$ 964,734,767

Source/Notes:  
 (1) Resource Agency (RA) costs updated from estimates and legal costs separate; shifts in FY 2010-11 through FY 2012-13 totals due to updates to RA expenditures.  
 (2) Station Area Planning delayed due to city budgets in Gilroy, Merced and Fresno Southern CA Improvements also delayed; updated forecast/FYD costs for FY 2014-15.  
 (3) Cells highlighted in gray are not applicable in those fiscal years.  
 (4) Includes SR-99 alignment and 3rd Party (SR) relocation.  
 (5) Adjustments to schedule reduced costs for CP-1, CP-2, RCN, RCM and DR efforts in FY 2014-15.  
 (6) RCM Support decrease of ~\$820M due to further breakout of support, relocation & acquisition costs in tracking.

Bulks +/Forecast

Program Total	2008-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	New FYD 14-15	Forecast 14-15	Total 14-15 <sup>(3)</sup>	Total
PM, RC, Administration, Construction-external	\$ 9,844,124	\$ 14,753,949	\$ 13,199,423	\$ 22,754,749	\$ 171,894,479	\$ 146,877,458	\$ 131,163,549	\$ 126,755,761	\$ 114,717,289	\$ 794,725,110	\$ 794,725,110	\$ 1,014,616,228	\$ 1,014,616,228
Construction Total Expenditures	\$ 9,844,124	\$ 14,753,949	\$ 13,199,423	\$ 22,754,749	\$ 171,894,479	\$ 146,877,458	\$ 131,163,549	\$ 126,755,761	\$ 114,717,289	\$ 794,725,110	\$ 794,725,110	\$ 1,014,616,228	\$ 1,014,616,228

Program Total by Fund Type <sup>(1)</sup>	2008-2014	State Match to ARRA (\$ millions) <sup>(2)</sup>
State Funds <sup>(3)</sup>	\$ 565	\$ 102
Federal Funds <sup>(4)</sup>	\$ 421	\$ 114
TOTAL	\$ 986	\$ 216

Source/Notes:  
 (1) Values are approximations of the totals.  
 (2) Data sourced from the CHRA Quarterly Budget Update (September 16, 2014) and updated with current FYD data.  
 (3) Prop 1A and Public Transportation Account (PTA) State Highway Funds 1990-2009.  
 (4) Federal Funds since FY 2010-11.  
 (5) State (paid) amount as of FY 2013-14.  
 (6) State obligated to match per SRM agreement.  
 \* Total liability is \$125M as of December 2014.

# FINANCE & AUDIT COMMITTEE

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## TOTAL PROJECT EXPENDITURES WITH FORECAST

- For HSR, FY 2013-14 marked the beginning of ROW land acquisition (\$60M) and construction (\$82M) activities. Those activities continue and increase as planned in FY 2014-15. The administrative budget increases to support the additional level of activities
- Planning and design costs, represented by Program Management and Regional Consultant costs of \$108M in FY 2013-14, are forecast to decline to \$97M in FY 2014-15
- Construction and Other Program costs of \$168M in FY 2013-14 are forecast to increase to \$745M for FY 2014-15
- The Administrative Budget of \$22.5M in FY 2013-14 increased in FY 2014-15 to \$29M

# FINANCE & AUDIT COMMITTEE



## CA High-Speed Rail Authority Contracts & Expenditures Report January 2015

Vendor / Contractor Name	Small Business Utilization	Contract Status	Contract Amount	Encumbered Amount	Actual Expenditures	Balance	Forecasted Expenditures (thru contract term)	Description of Service
Advanced Technical Solutions*	100.00%	Exec	\$8,433.70	\$8,433.70	\$8,433.70	\$0.00	\$8,433.70	IT switches for headquarter expansion
Advanced Technical Solutions*	100.00%	Exec	\$644.76	\$644.76	\$644.76	\$0.00	\$644.76	Tax for DGS PO
AECOM + DMUM Altamont Corridor		Exec	\$55,000,000.00	\$1,139,384.30	\$8,773,681.23	\$46,226,318.77		Developing engineering, planning and environmental data
AECOM + DMUM Altamont Corridor		Exec	\$0.00	\$0.00	\$0.00	\$0.00		Amend #1-revise Scope of Work
AECOM + DMUM Altamont Corridor #2	6.15%	Exec	\$0.00	\$0.00	\$0.00	\$0.00		Amend #2-revise Scope of Work
			<b>\$55,000,000.00</b>	<b>\$1,139,384.30</b>	<b>\$8,773,681.23</b>	<b>\$46,226,318.77</b>	<b>\$9,743,108.00</b>	
AECOM USA, Inc.		Exec	\$83,400,000.00	\$20,486,120.51	\$72,240,740.24	\$11,159,259.76		Preliminary engineering and project-specific environmental work
AECOM USA, Inc.		Exec	\$0.00	\$0.00	\$0.00	\$0.00		Amend #1-revise Scope of Work
AECOM USA, Inc.		Exec	\$0.00	\$0.00	\$0.00	\$0.00		Amend #2-Change of contractor name
AECOM USA, Inc.		Exec	\$0.00	\$0.00	\$0.00	\$0.00		Amend #3-extend contract term; revise Scope of Work
AECOM USA, Inc. #4	18.74%	Exec	\$0.00	\$0.00	\$0.00	\$0.00		Amend #4-extend contract term; revise Scope of Work
			<b>\$83,400,000.00</b>	<b>\$20,486,120.51</b>	<b>\$72,240,740.24</b>	<b>\$11,159,259.76</b>	<b>\$68,183,395.00</b>	
Akin Gump Strauss Hauer & Feld, LLP	0.00%	Exec	\$852,500.00	\$217,582.26	\$225,908.36	\$626,591.64		Legal services experienced w/ congressional investigation process
Akin Gump Strauss Hauer & Feld, LLP		Exec	\$0.00	\$0.00	\$0.00	\$0.00		Amend #1-extend contract term; revise Scope of Work
			<b>\$852,500.00</b>	<b>\$217,582.26</b>	<b>\$225,908.36</b>	<b>\$626,591.64</b>	<b>\$500,000.00</b>	
Alliant Insurance Services Inc.		Exec	\$1,056,053.00	\$0.00	\$0.00	\$1,056,053.00	\$1,056,053.00	Insurance broker and administrative services for first construction segment.
Allsteel c/o Keller Group*		Exec	\$24,863.71	\$0.00	\$0.00	\$24,863.71	\$24,863.71	office cubicle parts and installation for headquarter expansions
Allsteel c/o Keller Group*		Exec	\$55,745.15	\$0.00	\$0.00	\$55,745.15	\$55,745.15	office cubicle parts and installation for headquarter expansions
Alpaugh Irrigation District		Exec	\$130,100.00	\$0.00	\$0.00	\$130,100.00	\$130,100.00	Review conflicts with utilities
American Railway Engineering and Maintenance-of-way Association*		Exec	\$295.00	\$0.00	\$0.00	\$295.00	\$295.00	Advertise State Position

# FINANCE & AUDIT COMMITTEE

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## CONTRACTS AND EXPENDITURES REPORT

- List of HSR active contracts
- The report details:
  - Vendor
  - Small Business Utilization
  - Contract Amount, Encumbered Amount, Actual Expenditures, Balance, & Forecasted Expenditures through Contract Term
  - Contract Description
- Purchase Orders are included in the report as they represent a contractual commitment with the vendor

# FINANCE & AUDIT COMMITTEE

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## Small Business (SB) Utilization Calculation Methodology

- Contracts awarded prior to the 2012 SB Plan did not have contractual SB utilization goals
- Contracts and amendments after the 2012 SB Plan have a 30% SB utilization goal
- Calculation uses total dollars invoiced since the award of post 2012 SB Plan contracts or amendments and not total contract value
- The small business utilization rate of 15.7% reflects invoices received to date since the award of the contracts or amendments requiring 30% SB utilization
- Exempt contracts such as 3<sup>rd</sup> party utility or interagency agreements are excluded from the calculation

# FINANCE & AUDIT COMMITTEE

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## Small Business (SB) Utilization Calculation Methodology

- Companies hired for specific expertise such as specialized legal firms have had low SB utilization due to SB availability.
- Utilization will increase as construction moves forward
- The design builder Tutor Perini (\$1B contract, \$99M expended, current 7.48% SB utilization) is in the early stages of the contract with SB utilization expected to rise materially as the project progresses

## SMALL BUSINESS (SB) UTILIZATION PROGRESS

Invoices (eligible) total	\$310.6M
SB \$ subtotal actual	\$48.8M

# FINANCE & AUDIT COMMITTEE

## California High-Speed Rail Authority Projects & Initiatives Report January 2015

Projects	Division	Upcoming Milestones	Start Date	End Date	Timeline Rating	Timeline Trend	Budget Rating	Budget Trend
Hiring and Staffing for Fiscal Year 2013/14 Positions	Authority Mahsa Patton	An aggressive recruitment plan is in place to fill the vacant positions. To date, 90.5 of the 106.5 positions that were authorized in FY 2013-14 have been filled. It is estimated that an additional 11.0 positions will be finalized in the next several months.	8/1/2013	3/31/2015	■	↑	■	↔
Financial System	Fiscal Services Russell Fong	Resources have been diverted to the implementation of FISCAL (statewide accounting, budgeting, contracting, and procurement financial system) to eliminate overlapping of system functions. Once FISCAL becomes operational in June 2015 we will resume the Financial System initiative.	6/1/2013	N/A	★	↔	★	↔
ROWMIS (Right of Way Management Information System)	Program Management Don Grebe	Current beta testing of Quickbase an Intuit software. The Department of General Services (DGS) Bid has been extended to allow for additional negotiations with vendor.	7/31/2013	1/31/2015	■	↑	■	↔
Property Management Plan (formerly titled Streamline R/W)	Program Management Don Grebe	Develop a plan that covers how Authority property will be managed from close of escrow until the Design-Build Contractor occupation and/or disposal. Plan completed and the recommendations are being implemented on an ongoing basis.	9/12/2013	completed	■	↔	■	↔
Station Area Planning	Program Management Melissa Dumond	Develop policy and approach to value capture at station locations and support local partner agency efforts regarding Transit Oriented Design (TOD).	8/1/2013	12/31/2017	■	↔	■	↔
Advanced Mitigation Planning	Program Management Mark McLoughlin	Develop a plan and approach with the Strategic Growth Council to implement a program-wide advanced mitigation strategy, which will enable commitments to be met in advance of construction	6/1/2014	12/31/2016	■	↔	■	↔

■ Satisfactory, no corrective action    
 ● Caution, need for corrective action now or soon    
 ● Escalate, immediate corrective action required    
 ★ On hold  
↔ No Change    
↑ Increasing    
↓ Decreasing

# FINANCE & AUDIT COMMITTEE

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## PROJECTS AND INITIATIVES REPORT

Total # of Projects: 9

Status Update:

-  Satisfactory, no corrective action: 7
-  Caution, need for corrective action now or soon: 1
  -  Long-term leased vehicles (Program Management)
-  On hold: 1
  -  Financial System (Fiscal Services)
-  Escalate, immediate corrective action required: 0

## Audits

# REPORTS ISSUED

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## FRA Drawdown Process

- Are policies and procedures in place for drawing down grant funds?
  - Timeliness of submission, review, approval, and payment of invoices issues noted.
  - Invoice receipt process inconsistent.
- Corrective actions:
  - Financial Office, Regional Directors, and Right of Way have implemented procedures and practices to assure timely submission, review, approval and payment of invoices.
  - Authority Accounting developed a policy to determine when an invoice is "received."

# REPORTS ISSUED

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## Public Records Act

- Does the Authority comply with the Act?
  - Period tested was July 2011 – April 2014
  - The Authority complies with the Act.
  - Small number of exceptions to ten-day response requirement (only 8 in 2014)
- Corrective Actions:
  - Policy Directive was developed which addressed reimbursement and defined ten-day timeframe.

# REPORTS ISSUED

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## Preaward Review

- Are contractor proposed costs reasonable and in accordance with federal regulations?
- Project Construction Management contract, \$71M, for CP 2-3 review completed in August.
  - Findings included misstated labor, overhead, and other direct cost rates.
  - Findings were addressed prior to contract execution.

# REPORTS ISSUED

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## Year-End Accounting Process

- Was process adequate to ensure no material misstatements?
  - Internal control weaknesses identified related to review/approval and documentation.
  - Statement to convert from legal basis to GAAP (Generally Accepted Accounting Principles) basis not prepared.
- Corrective Actions:
  - Policy implemented to address internal control weaknesses.
  - GAAP basis statement submitted to State Controller's Office.

# IN PROGRESS AUDITS

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## Contract Management

- Are contracts managed effectively and in accordance with the State Contract Manual?
  - Testing includes:
    - 67% of contract managers
    - 72% of contract dollars, excluding design-build contract
  - Draft report issued in January 2015

# IN PROGRESS AUDITS

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## Procurement Process

- Assess efficiency and effectiveness of existing process.
- Goods, services (less than \$5,000), IT purchases
- Compliance with rules, regulations, policies.

# UPCOMING AUDITS

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## Design-Build

- Are Authority management practices consistent with design-build risk model?

## Contract Cost Audit

- Reasonableness and allowability of costs reimbursed.
- Analysis of value received for work performed.

## Preaward Reviews

- Are contractor proposed costs reasonable and in accordance with federal regulations?
- Two Regional Consultant contracts, \$107M, to be reviewed in January 2015.
- Rail Development Partner contract to be performed in May.

## Project Status

# FIRST CONSTRUCTION SEGMENT UPDATE

## CP 1

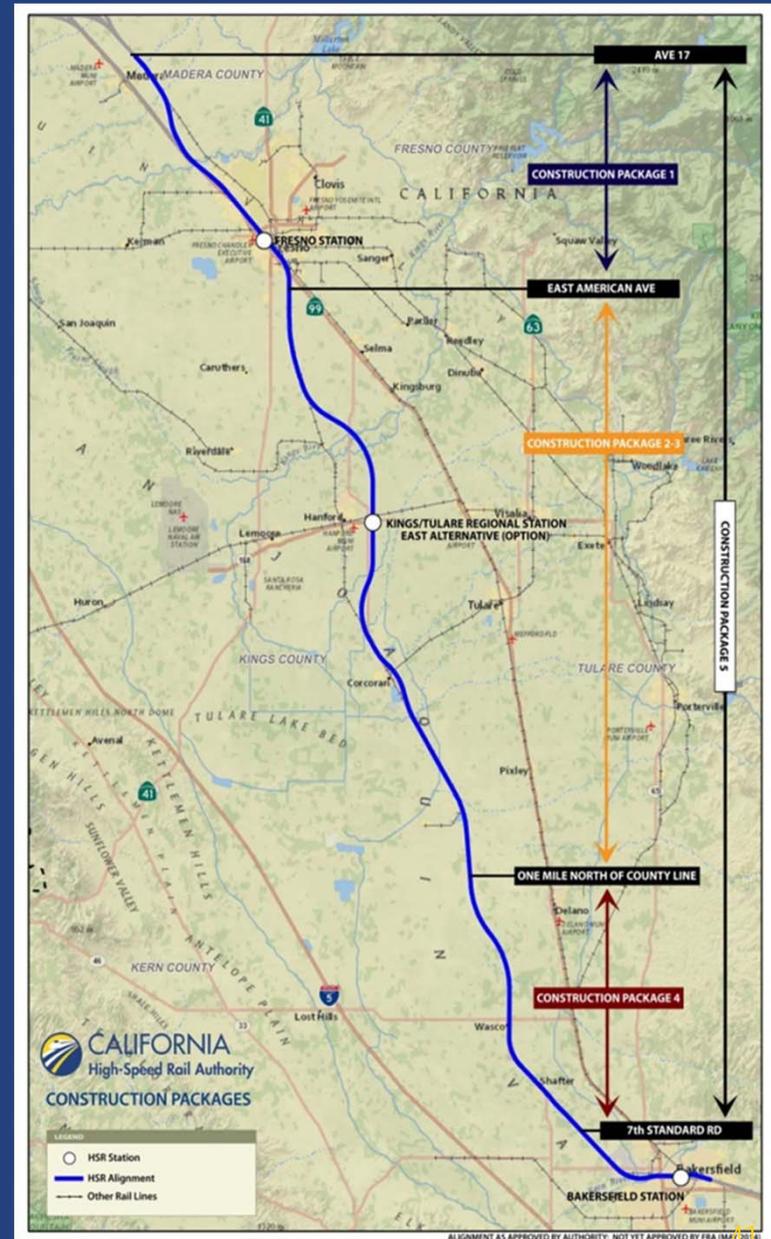
- PCM contract executed in May 2013, approximately \$34 million
- Design-Build contract executed in August 2013, approximately \$1 billion
- Construction started

## CP 2-3

- PCM contract executed in November 2014, approximately \$71 million
- Design-Build contract execution expected by Spring 2015, approximately \$1.4 billion

## CP 4

- Issued RFQ for Design-Build contract in November 2014
- RFP for Design-Build contract projected in Spring 2015
- PCM selection in Summer 2015



# PROGRAM CONTROL DOCUMENTS: STATUS REPORTING REQUIREMENTS

## PERFORMANCE STATUS REPORTING

MONTHLY STATUS REPORTS

PERFORMANCE METRICS

ROW ACQUISITION STATUS

### PROP 1A REQUIREMENTS

- Achieve specific characteristics (speed, service, stations...)
- Funding source and utilization
- Operational viability

### SB 1029 REQUIREMENTS

- Biannual Project Update Reports
  - Summary of Progress
  - Baseline Budget for Project Phase Costs
  - Current and Projected Budget
  - Expenditures by Date
  - Comparison of Current and Projected Work
  - Summary of Milestones
  - Issues and Actions Taken

### 2014 BUSINESS PLAN

- Risk Management Plan (assess and critique)
  - Scope and Quality (including Safety)
  - Schedule

# MONITORING PERFORMANCE OF CONSTRUCTION PACKAGES

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## Four Performance Status Reports

- CP 1 Monthly Status Report
- CP 1 Performance Metrics
- ROW Acquisition Status
- SR 99 Performance Metrics

# CP1 MONTHLY STATUS REPORT

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## Purpose

- Comply with requirements of SB 1029 (progress, schedule, budget)
- Measure status of key performance indicators

## Quantitative Analysis

- Schedule Milestones, Financial Status, Contract Time Status, Change Orders, Expended to Date, % Growth

## Qualitative Information

- Scheduled Activities, Key Topics, Key Work Accomplished, Pending Changes

# CP 1 PERFORMANCE METRICS

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## Purpose

- Measure industry standard performance objectives (cost, schedule & quality) for project management
- Measure performance objectives of high priority areas (safety & economic benefits)

## 5 Key Performance Metric Areas

- Safety, Cost, Schedule, Quality, Economic Benefits

## 9 Individual Performance Metrics

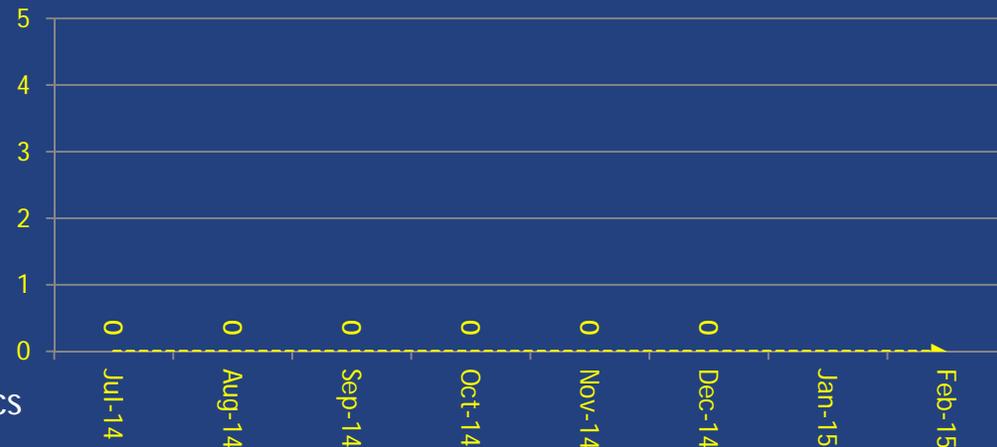
- **Safety:** Authority Incident Rate, Contractor Incident Rate
- **Cost:** Design & Construction Support, Contingency
- **Schedule:** Schedule Performance Index
- **Quality:** Construction Non-Conformance Report Rate
- **Economic Benefits:** All National Targeted Workers, Disadvantaged/Small Business Enterprises, Disadvantaged Workers

# SAFETY

## Authority Safety Incident Rate **Green**



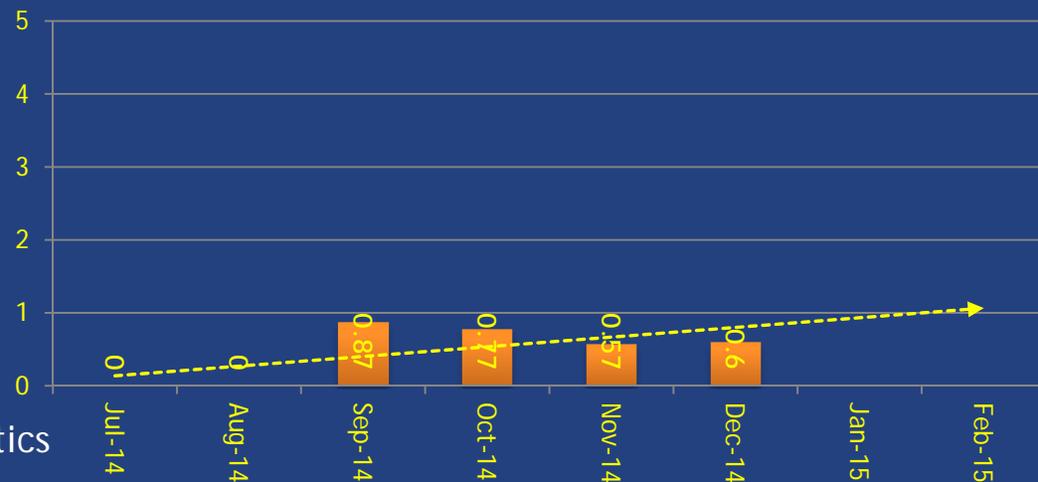
Benchmark: U.S Bureau of Labor Statistics



## Contractor Safety Incident Rate **Green**



Benchmark: U.S Bureau of Labor Statistics



➤ Not yet indicative of trend

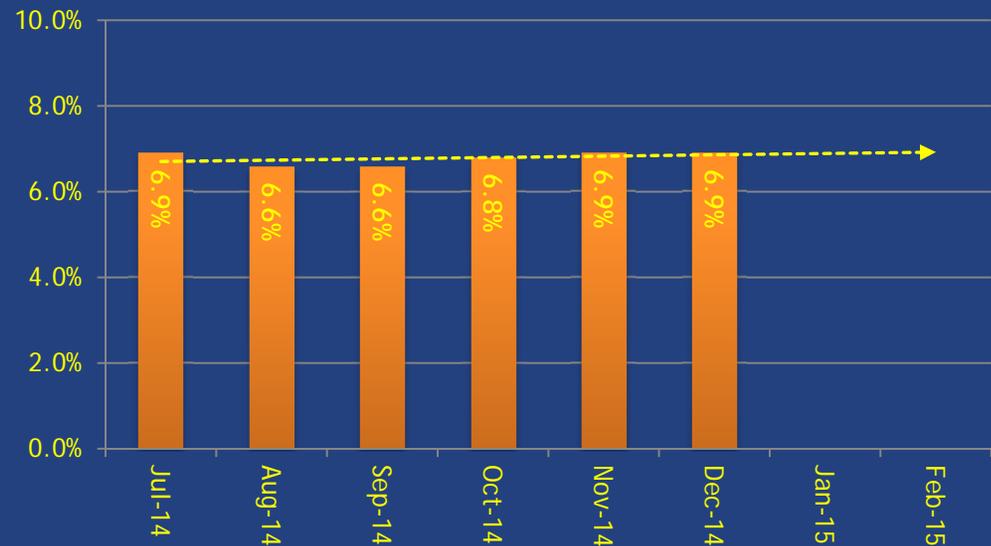
# COST

## Design & Construction Support Cost

Yellow



Benchmark: Transit Cooperative  
Research Program (TCRP) Report 138



- Performance due to DB contractor's invoiced to date amount
- Contractor invoiced amount is driven primarily by start of construction
- Improvements to ROW delivery will accelerate construction, thereby improving performance of this metric
- Not yet indicative of trend

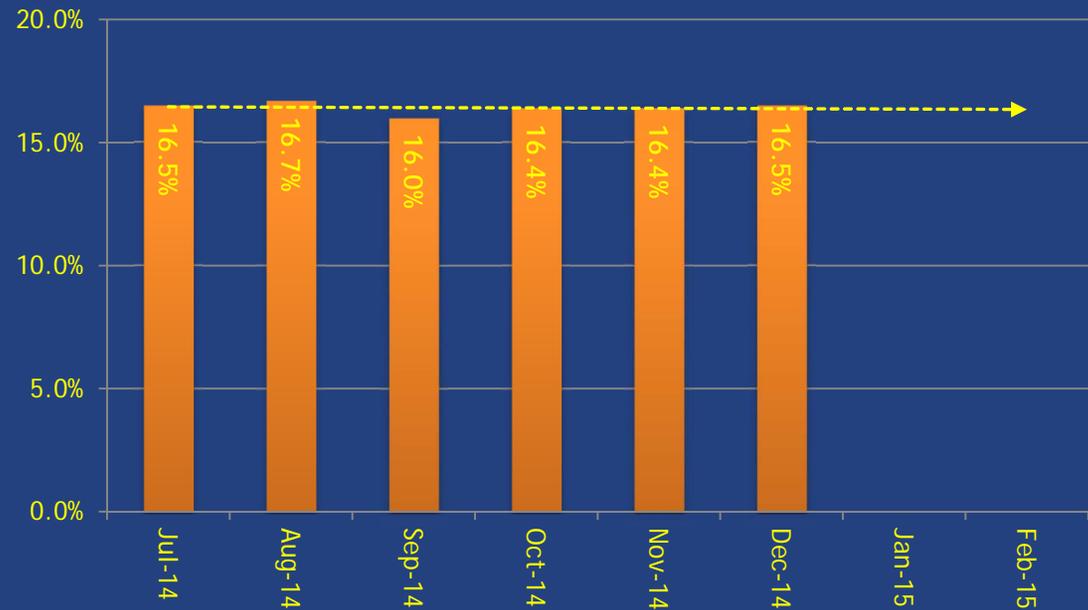
# COST (CONTINUED)

## Contingency

Green



Benchmark: Federal Transit Authority

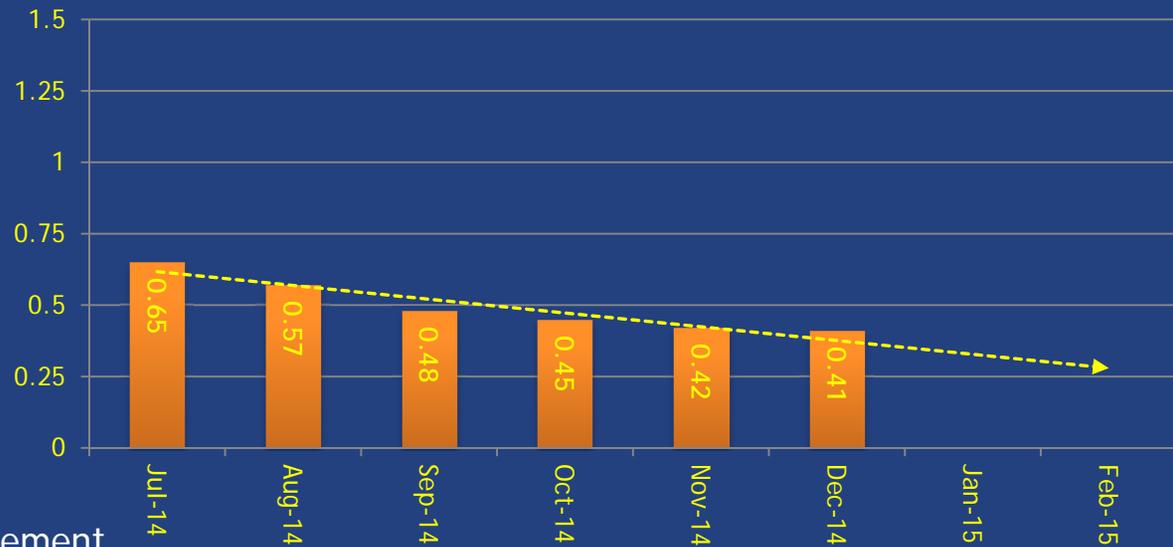


➤ Not yet indicative of trend

# SCHEDULE

## Schedule Performance Index (SPI)

Red



Benchmark: PMI (Project Management Institute, World Wide)

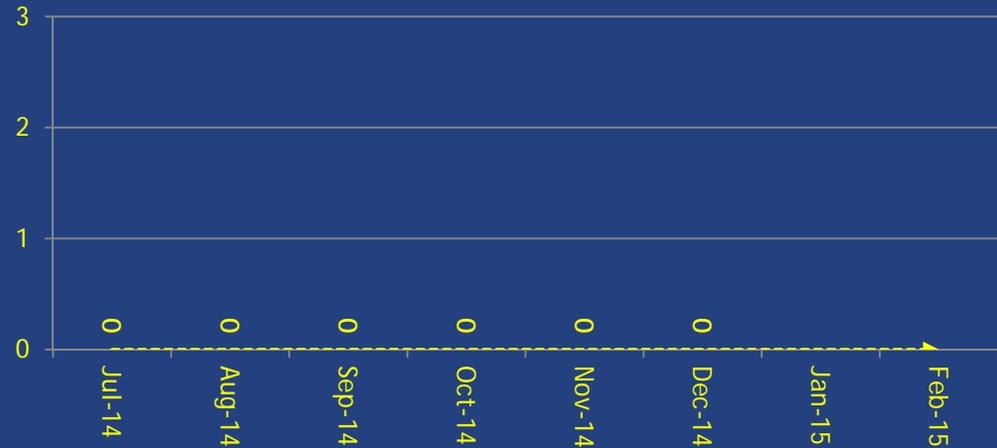
- Performance due to DB contractor's earned value vs planned value
- Contractor's earned value amount is driven primarily by construction activity
- Improvements to ROW delivery will accelerate construction, thereby improving performance of this metric
- Not yet indicative of trend

# QUALITY

## Construction Non-Conformance Report Green



Benchmark: Standard Key Performance Indicator for Heavy & Civil Engineering Construction

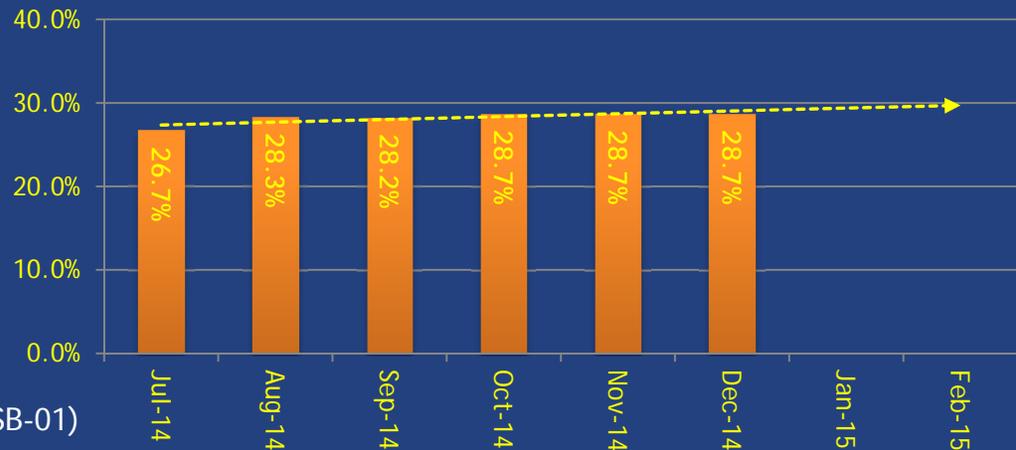


# ECONOMIC BENEFITS

## Disadvantaged/Small Business Enterprise Green



Benchmark: Community Benefits Policy (POLI-SB-01)



➤ Not yet indicative of trend

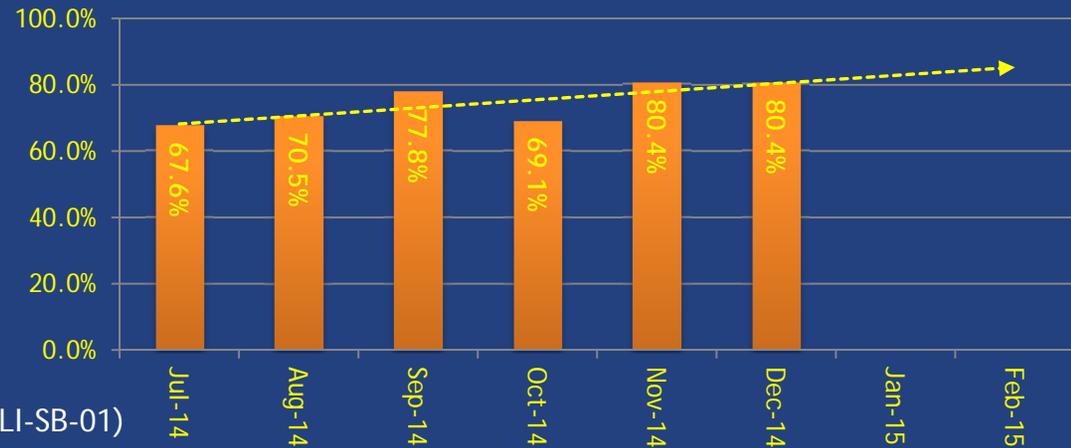
# ECONOMIC BENEFITS (CONTINUED)

## All National Targeted Workers

Green



Benchmark: Community Benefits Policy (POLI-SB-01)



## Disadvantaged Workers

Green



Benchmark: Community Benefits Policy (POLI-SB-01)



➤ Not yet indicative of trend

# CURRENT ROW ACQUISITION STATUS

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## Improving ROW performance

- 8 additional ROW Consultant contracts
- Performance improving due to better quality work products, increased staffing by Authority & other State departments, and focus on parcels needed to support construction schedule
- Regular meetings with stakeholders, including DOF and DGS

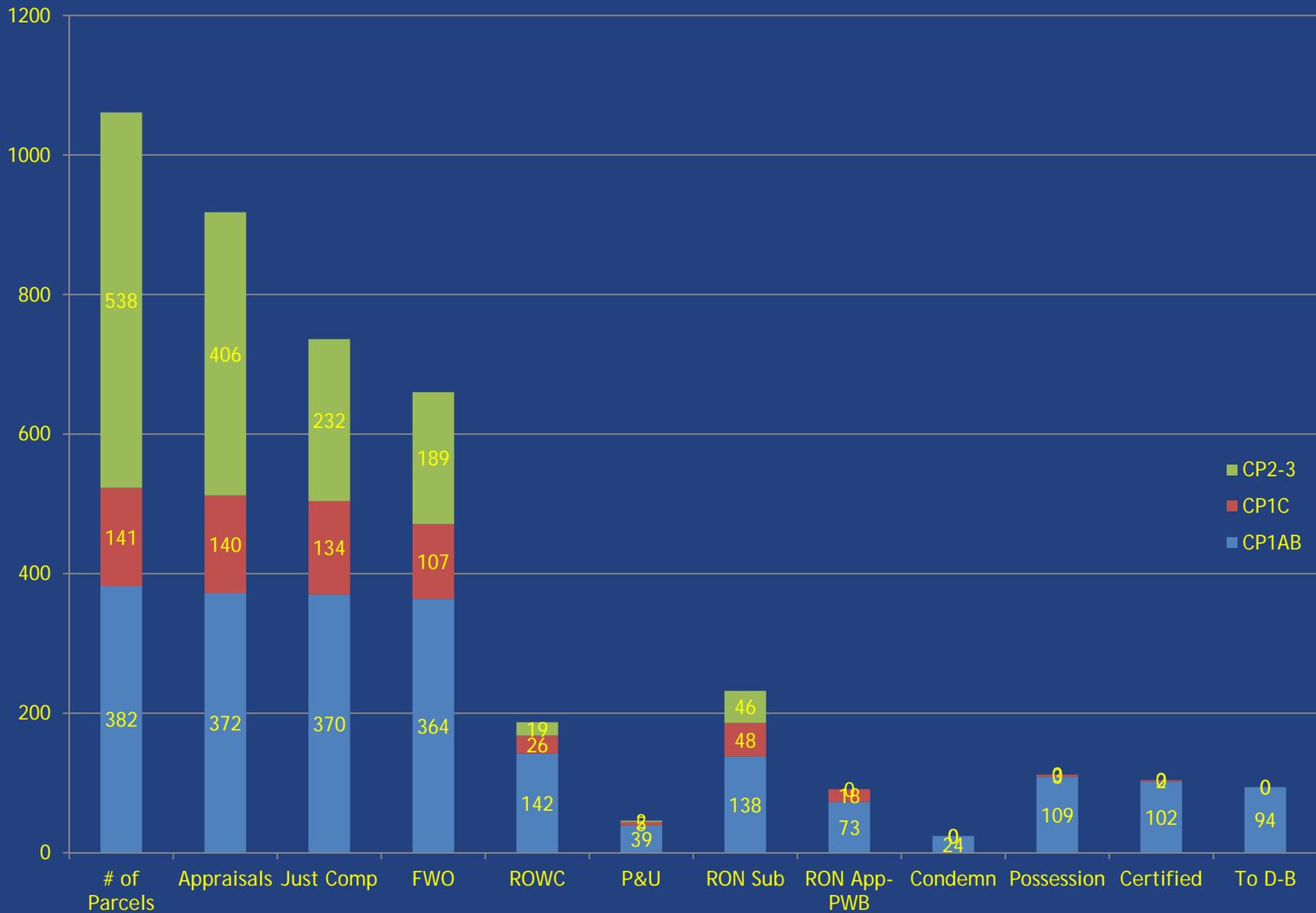
## CP 1

- 523 parcels needed with 512 appraised and 471 with first written offers
- 102 certified for contractor
- Working with DB contractor to update acquisition plan to facilitate construction

## CP 2-3

- Design-build contract to be awarded January 2015
- Acquisition plan includes grouping of parcels for construction
- 538 parcels needed with 406 appraised and 189 with first written offers
- Ahead of schedule

# CURRENT ROW ACQUISITION STATUS (CONTINUED)



\*As of 01/02/2015

# STATE ROUTE 99 REALIGNMENT PROJECT

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## CHSRA in an oversight role of Caltrans

### Construction Manager General Contractor (CMGC) project within the limits of CP 1

- ROW phase is approximately 50% complete
- Design is on schedule
- Major construction anticipated to begin in Spring 2016

### 5 Key performance metric areas

- Safety, Cost, Schedule, Quality, Economic Benefits

### 9 individual performance metrics

- **Safety:** Caltrans Incident Rate, Contractor Incident Rate
- **Cost:** Total Support Cost, Construction Contingency, Cost Performance Index
- **Schedule:** Schedule Performance Index
- **Quality:** Construction Contract Change Orders
- **Economic Benefits:** Disadvantaged/Small Business Enterprises

Satisfactory performance in all metrics except for SB/DVBE usage

## Risk Management

# RISK MANAGEMENT PROGRAM: THE BEST TOOL FOR AN INTEGRATED APPROACH

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## RISK MANAGEMENT PLAN

FINANCIAL PERFORMANCE

AUDIT & REVIEWS

CONTRACTS PERFORMANCE

## SB 1029 REQUIREMENTS

- A process by which identified risks will be quantified in financial terms
- Development documents that will be used to track identified risks and related mitigation steps
- Plans for regularly updating its estimates of capital and support costs
- Plans for regularly reassessing its reserves for potential claims and unknown risks, incorporating information related to risks identified and quantified through its risk assessment processes
- Plans for regularly integrating estimates for capital, support costs, and contingency reserves in required reports

# RISK MANAGEMENT PROGRAM OBJECTIVES

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- 1 Systematize the process by which the Authority manages circumstances that could increase the cost or significantly delay or halt the Program
- 2 Increase transparency regarding challenges to project plans and objectives
- 3 Capture project opportunities
- 4 Satisfy legal and regulatory requirements - meet the needs and expectations of other stakeholders
- 5 Rationalize allocation of resources including cost and schedule contingencies
- 6 Receive external validation of risk management approach (from Peer Review Group, Professor Flyvbjerg)

# STATE-OF-THE-ART APPROACH VETTED BY LEGISLATIVE PEER REVIEW GROUP

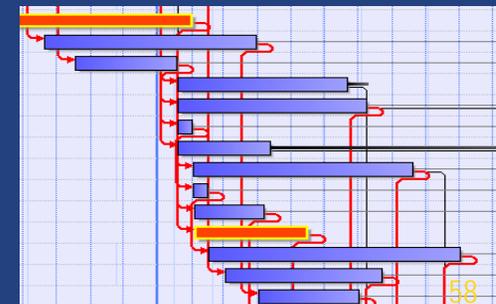
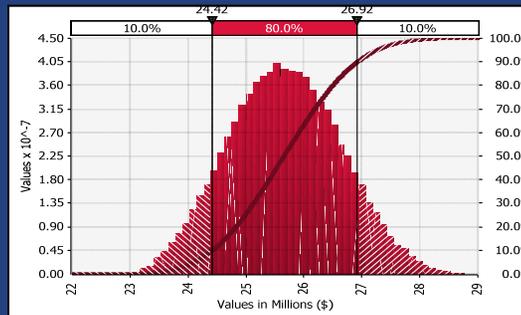


- Prepare and collect data
- Identify all risks
- Quantify
- Correlate
- Document
- Select method
- Sensitivity Analysis
- MC Simulations
- Panel Review
- Primary mitigation
- Allocation
- Contingency Analysis
- Secondary Mitigation
- Feedback Loop

Threat Impact Level	Cost Increase	Schedule Increase
Very High (5)	> \$ 100 M	6 Months and above
High (4)	\$ 50 M to \$ 100 M	4 to 6 Months
Medium (3)	\$ 10 M to \$ 50 M	2 to 4 Months
Low (2)	\$ 1M to \$10 M	1 to 2 Months
Very Low (1)	< \$ 1M	1 Week to 1 Month

RISK	Design-Build		
	Owner	Shared	Design Builder
Construction			
DBE compliance			
Safety			
Construction Quality/Workmanship			
Schedule			
Materials Quality			
Materials documentation			
Material availability			
Initial performance requirements of QC/QA Plan			
Final Construction/Materials QC/QA Plan			
Construction/Materials QA			
Construction QC			
Construction QA Oversight			
Construction IA testing/inspection			
Construction Staking			
Erosion Control			
Spill Prevention			
Accidents within work zone			
Damage within work zone			
Third Party Damages			
Operations and Maintenance During Construction			

Risk Number	Risk Title
7.1	Delays caused by the inability to relocate utilities because of Buy America Requirements
1	ROW acquisition delays or failure to acquire ROW impacts construction operations.
8	Delay associated with RR agreements, design exceptions (clear-span of property), review and approval delays, or other issues during construction (lack of flaggers)
12	Changed/Differing Site Conditions
11	Direct costs associated with intrusion protection
35	Class 1 and 2 Hazardous materials
29	SJVR Spurs in the vicinity of Dry Creek Canal



# OVER SIX YEARS OF RISK INFORMED DECISION MAKING...



## 2009

- Intrusion Hazard Analysis and Protection Study on LOSSAN Corridor (Southern California)

## 2010

- Program Risk Management Plan

## 2011

- Interstate 5 (Grapevine) Feasibility Study - Risk Based Contingency

## 2012

- Program Risk Management Plan Update
- CP1 Costs Sensitivity Analysis for GAO (2012 BP)
- CP1 Schedule MC Risk Analysis

## 2013

- Program Risk Management Plan Update
- Operations & Maintenance (O&M) Cost Risk Analysis (2014 Business Plan)
- Ridership & Revenue / O&M Break-Even Monte Carlo (MC) Analysis (2014 Business Plan)
- Lifecycle Cost - MC Risk Analysis (2014 BP)

## 2014

- Review of CP1 Risks and Contingency Analysis

## ... WITH INCREASING INVOLVEMENT IN SHORT TERM PROGRAM DECISIONS



### CP 2-3

- 2014 - CP 2-3 Schedule Development and MC Risk Analysis
- 2014 - Projected Impacts of Contract Extensions on CP 2-3 Bid Prices
- 2014 - Risk-Based MC Contingency Analysis for CP 2-3 (Contractor)
- 2014 - Risk-Based MC Contingency Analysis for CP 2-3 (Owner)
- 2015 - CP2-3 Contingency Recommendation to the Board

# SUMMARY

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- The Authority has an integrated Finance and Audit Team in place that reports directly and is accountable to the Finance and Audit Committee.
- The Authority's Finance and Audit Team consists of the Chief Financial Officer, Chief Auditor, Assistant Chief Program Manager, and Risk Manager, and has implemented a robust project monitoring and controls program.
- Project monitoring and controls are in place that provide early identification of program trends and inform risk-driven decision making.

# THANK YOU

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