Construction Package 2-3

Building Out the Central Valley Backbone of High-Speed Rail

BACKGROUND

Construction Package 2-3 (CP 2-3) represents the continuation of construction on the California high-speed rail system south towards Kern County. CP 2-3 will extend in excess of 60 miles from the terminus of Construction Package 1 at East American Avenue in Fresno to approximately one mile north of the Tulare-Kern County line. CP 2-3 will include approximately 36 grade separations in the counties of Fresno, Tulare and Kings, including viaducts, underpasses and overpasses. The estimated value of the contract is $1.5 billion to $2 billion. CP 2-3 is located within the Fresno to Bakersfield project section.

CONSTRUCTION PACKAGE 2-3 IS AN INVESTMENT:

- In the people of the Central Valley, who suffer the highest unemployment rates in the state.
- In the local economy, which is disconnected from stronger markets in the Bay Area and Los Angeles area.
- In improved air quality, critical to reversing trends of asthma and continuing problems, even as other regions see improvements.

DESIGN-BUILD CONTRACTOR SELECTION

The design-build contractor that will be selected for CP 2-3 will be responsible for designing and constructing, in coordination with the Authority, the CP 2-3 alignment. Scope of work will include delivering final designs for bridges, culverts, trenches and tunnels, utility relocations, aerial structures, grade separations, security and drainage.

On April 3, 2014 the Authority issued a Request for Proposal (RFP) to five world-class teams inviting them to bid on the design-build contract. Proposals will be due to the Authority in Fall 2014. After they are received, the Authority will thoroughly evaluate and score the teams' proposals to determine the team offering the best overall value. The scoring will be weighed 30 percent on technical and 70 percent on price. The Authority anticipates making a decision on the best written offer in late 2014.

This RFP represents the second part of a two-phase procurement process for selecting a design-build contractor. In October 2013, design-build teams submitted their statements of qualifications, and through an extensive review process, were evaluated in terms of the team's project experience, team organization, technical competency, project understanding, and other key factors.

The qualified teams invited to bid are listed below in alphabetical order:

- California Rail Builders: Ferrovial Agroman US Corp. and Granite Construction Company*
- Dragados/Flatiron/Shimmick: Dragados USA, Inc., Flatiron West, Inc. and Shimmick Construction Co., Inc.
- Golden State Rail Partnership: OHL USA, Inc. and Samsung E&C America, Inc.
- Skanska-Ames a Joint Venture: Skanska USA Civil West California District Inc. and Ames Construction, Inc.*
- Tutor Perini/Zachry/Parsons, a Joint Venture: Tutor Perini Corporation, Zachry Construction Corporation and Parsons Transportation Group Inc.

PROJECT AND CONSTRUCTION MANAGEMENT SELECTION

In addition to the selection of the design-build contractor, the Authority will secure a project and construction manager (PCM) team. The PCM will serve as the Authority's eyes and ears on the ground in the Central Valley. PCM team members, working with the Authority, will provide assurance that technical and contract requirements, including costs, are met for CP 2-3. PCM team members will work closely with design-build contractor and will oversee inspection and testing of the high-speed train infrastructure, technical and environmental compliance including "hazmat" oversight, utility relocation, procurement and risk management assistance, construction safety and security, document control, fraud and theft prevention, and public outreach. The PCM will be co-located with the design-build contractor near the second Central Valley construction site.

The Authority anticipates the selection of a PCM contractor later in 2014.

JOBS

CP 2-3 project work will bring thousands of jobs to the Central Valley, an area with one of the highest unemployment rates in the state and the nation. In order to ensure these jobs reach those with the greatest need, the Authority board crafted and adopted the Community Benefits Agreement. The Agreement supports employment of individuals who reside in Disadvantaged Areas and those designated as Disadvantaged Workers by requiring the contractors to adhere to the National Targeted Hiring Initiative. A minimum of 30 percent of all project work hours shall be performed by National Targeted Workers and a minimum of 10 percent of National Targeted Workers hours shall be performed by Disadvantaged Workers.

In addition to construction work, other established local industries and businesses will see an economic boost from the activity. As dollars are spent locally, businesses expand and hire more people, who in turn shop and eat at local businesses, fueling the Valley's economy.

Major work that will be done within the CP 2- 3 area includes the following activities:

1. Geotechnical Studies and Surveys
2. Clearing and Demolition
3. Utility Relocation
4. Foundation Work
5. Grading, Embankment and Drainage
6. Structure Construction
7. Paving, Re-striping, Landscaping and Traffic Signals

SMALL BUSINESS

The Authority is committed to enhancing benefits for California community businesses and residents during construction of the project. To that end the Authority has set an aggressive 30 percent goal for Small Business participation, which includes goals of 10 percent for Disadvantaged Business Enterprises (DBE) and 3 percent for Disabled Veteran Business Enterprises (DVBE). The Authority Board of Directors' decision is in accordance with agreements between the Federal Railroad Administration and the Authority which requires the authority to develop and implement a Small and Disadvantaged Business Enterprise Program (S/DBE) to ensure that small businesses, including DBEs, have an opportunity to bid on the rail contracts and participate in construction of the project.

**These teams have withdrawn interest in CP 2-3 due to a variety of factors.*

CONSTRUCTION PACKAGE 2-3

Alignment approved by Authority: Not yet approved by FRA. JUNE 2014