



California High-Speed Rail **BRIEFING: May 11, 2023, Agenda Item #4**

TO: Board Chair, Tom Richards, and Authority Board Members

FROM: Christine Inouye, Chief Engineer of Strategic Delivery

DATE: May 11, 2023

RE: Consider Approving Notice to Proceed Number Three for the Merced to Madera Project Section

Summary

Staff is recommending that the California High-Speed Rail Authority (Authority) Board of Directors (Board) authorize the issuance of Notice to Proceed-3 (NTP-3) to Stantec Consulting Services Inc. (Stantec) for a not-to-exceed dollar value of \$6.8 million. If approved, the staff will issue NTP-3 in order to commence design services on the Merced Station Relocation portion of the alignment from South of East Childs Avenue to the new proposed station at R Street in downtown Merced.

On August 17, 2022, the Board authorized the execution of Agreement No. HSR 22-02 (Agreement) for design services for Merced to Madera project section between the Authority and Stantec for a not-to-exceed dollar value of \$41 million. Subsequently, the Agreement was fully executed by the Authority and Stantec on October 4, 2022, and the Notice to Proceed-1 (NTP-1) was issued on October 5, 2022, in order to commence design services to progress approximately 33.9 miles of the Merced to Madera project section through the Authority's staged project delivery process to configuration footprint design work in Stage 3.

On April 26, 2023, the Authority completed an Authority environmental reexamination (a NEPA re-evaluation and a CEQA addendum) for Merced Station Relocation to relocate the approved at grade station in Merced, north to an elevated station at R Street to facilitate a new combined station in downtown Merced, and connections to the Amtrak San Joaquin and the Altamont Corridor Express as discussed in Senate Bill 198 (Chapter 71, Statutes of 2022). From the evaluation, it was determined that under CEQA, no major changes are necessary to the Final Merced to Fresno EIR; nor are the changes substantial or significant enough under NEPA to require a new supplemental EIS or new environmental document. The design services under NTP-3 will include the section of the alignment from South of East Childs Avenue to the new proposed station at R Street in downtown Merced.

Issuing NTP-3 will authorize the consultant to develop the configuration footprint design work for the Merced Station Relocation portion of the alignment from approximately South of East Childs Avenue to the new proposed station at R Street in downtown Merced.

Background

The 2022 Business Plan lays out the Authority's Business Model for delivering the high-speed rail system. As part of the business model, the Authority follows three principles to guide decisions:

1. Initiate high-speed rail service in California as soon as possible.
2. Make strategic, concurrent investments that will be linked over time and provide mobility, economic and environmental benefits at the earliest possible time.
3. Position ourselves to construct additional segments as funding becomes available.

Building on the Authority's mission and guiding principles, the new funding will allow the Authority to focus on our key goals to 1) deliver an electrified two-track initial operating segment connecting Merced, Fresno, and Bakersfield as soon as possible, and 2) invest statewide to advance engineering and design work as every project section is environmentally cleared.

Prior Board Action

The 2022 Business Plan was adopted by the Board on April 27, 2022 and submitted to the state legislature on May 6, 2022. This Agreement for design services for the Merced to Madera project is consistent with the 2022 Business Plan priority of expanding the 119-mile segment in the Central Valley to develop 171 miles of electrified high-speed rail service by advancing design, funding preconstruction work, and constructing extensions to Merced and Bakersfield, connecting downtown Merced, Fresno, and Bakersfield with additional stops at Madera and Kings/Tulare.

On February 17, 2022, the Board approved the issuance of an architectural and engineering Request for Qualifications (RFQ) for design services for the Merced to Madera project to procure a 2-year and 3-month contract valued up to \$41 million on or after March 18, 2022, through Resolution #HSRA 22-05. The RFQ qualified the offeror for design services, which included all of NTP-1, NTP-2, and NTP-3 work.

On August 17, 2022, the Board authorized the CEO, or his designee to execute Agreement No. HSR 22-02 with Stantec for Design Services for the Merced to Madera project for a contract value of up to \$41 million for NTP-1 work, through Resolution #HSRA 22-15. At that time, the Board requested staff to seek additional approval to add NTP-2 and/or NTP-3 work to the Agreement (Resolution HSRA #22-15).

Discussion

Authority staff seeks approval and authorization from the Board for the CEO, or designee of the CEO, to issue NTP-3 for the Merced Station Relocation portion of Merced to Madera project to Stantec for a not-to-exceed amount of \$6.8 million for the NTP-3 work. The NTP-3 work will be managed under the existing Agreement to support the delivery of stages 3 through 5.

The Merced to Madera high-speed rail project section is located within the counties of Merced in the north and Madera in the south. The Authority completed the re-evaluation for relocation of the approved at grade station in Merced, north to an elevated station at R Street to facilitate a new combined station in downtown Merced, and connections to the Amtrak San Joaquin and the Altamont Corridor Express as discussed in Senate Bill 198 (Chapter 71, Statutes of 2022). This change is supported by the City of Merced, the California State Transportation Agency (CalSTA), the San Joaquin Joint Powers Authority (SJJPA), and the San Joaquin Regional Rail Commission (SJRRRC).

To assess these changes, an environmental re-examination was conducted to consider the potential new or changed environmental effects and permitting consequences associated with this change. From the

evaluation, it was determined that under CEQA, no major changes are necessary to the Final Merced to Fresno EIR; nor are the changes substantial or significant enough under NEPA to require a new supplemental EIS or new environmental document.

- The preferred alternative alignment included in the 2012 Environmental documents begins at Martin Luther King Jr. Way in Downtown Merced where the high-speed rail Merced Station location was approved as part of the Central Valley Wye Final EIR/EIS at the September 2020 Board Meeting.
- The portion of the alignment from South of East Childs Avenue to the new proposed station at R Street in downtown Merced (NTP-3) is included in the Merced to Madera Project. The re-evaluation for relocation of the Merced Station was approved on April 26, 2023.

The NTP-3 contract scope of work and deliverables will include the following (Stage 3):

1. Project Configuration Footprint
2. Value Engineering
3. Project Cost Updates
4. Verified Travel Time Enhancements
5. Updated project risk assessment and schedule
6. Right-of-Way Mapping
7. Utility Conflicts/Relocations
8. Third-Party Agreement preparation including those with railroads, local jurisdictions, and utilities

Legal Approval

The RFQ process qualified Stantec for NTP-3 design services, and the Agreement includes the optional NTP-3 work. Subsequent to Board approval, the Legal Office has reviewed the Agreement and the relevant laws, regulations, and policies, and deems a contract amendment to be legally sufficient to add the NTP-3 work.

Budget and Fiscal Impact

This request is to issue NTP-3 for Merced Station Relocation portion of Merced to Madera design services Agreement in the not-to-exceed amount of \$6.8 million to progress to the Configuration Footprint level of design. This request only seeks Board approval and authorization to issue NTP-3 in a not-to-exceed amount of \$6.8 million.

Ordinarily, the amendment to the Agreement would be within the CEO's delegation of authority, pursuant to Board Resolution #HSRA 21-09 (Board Policy - HSRA11-001 – DOA, Amended September 23, 2021, Section B. iv). However, the Board requested staff to seek additional approval to add NTP-2 and/or NTP-3 work to the contract (Resolution HSRA #22-15).

On October 5, 2022, Notice to Proceed-1 (NTP-1) was issued to Stantec for a not-to-exceed dollar value of \$41 million, in order to commence design services to progress approximately 33.9 miles of the Merced to Madera project section through the Authority's staged project delivery process to configuration footprint design work in Stage 3.

As required by Resolution HSRA #22-15, if the Authority seeks to exercise the NTP-2 option to progress to the final design (100% design) and construction-ready documents in Stage 4, which is currently estimated at an additional \$103.4 million, staff will return to the Board for approval to fund and issue the optional work to progress to final design and construction ready documents.

Capital Outlay Costs

This request for NTP-3 work would be funded with Cap-and-Trade funds. The request for NTP-3 is consistent with the Expenditure Authorization approved at the December 2021 board meeting. Upon approval, this request will allocate a budget reserved for this work within the 2023 Expenditure Authorization to the Merced to Madera design services Agreement up to \$6,800,000.

Table 1: 2022/23 Fiscal Year Budget

Contract Name	Contract Number	Current FY Contract Budget	Budget Change	Funding Source
Merced to Madera SG3	HSR 22-02	\$500,000.00	- \$500,000.00	Cap & Trade
Merced Station Relocation NTP-3	SLPP0401-001	\$0.00	\$500,000.00	Cap & Trade
Total			\$0.00	

Table 2: Total Program Budget

Contract Name	Contract Number/ Budget Allocation	Current Total Program Contract Budget	Budget Change	Funding Source
Merced to Madera SG3	HSR 22-02	\$6,800,000.00	- \$6,800,000.00	Cap & Trade
Merced Station Relocation NTP-3	SLPP0401-001	\$0.00	\$6,800,000.00	Cap & Trade
Total			\$0.00	

REVIEWER INFORMATION		SIGNATURE	
Reviewer Name and Title: Brian Annis Chief Financial Office		Signature verifying budget analysis: Signed 5/4/2023	
Reviewer Name and Title: Alicia Fowler Chief Counsel		Signature verifying legal analysis: Signed 5/4/2023	

Recommendations

Staff is requesting Board approval and authorization to the CEO, or designee of the CEO, to issue NTP-3 for the Merced Station Relocation portion of Merced to Madera project under contract, HSR 22-02 to Stantec for a not-to-exceed amount of \$6.8 million for the NTP-3 work.

Attachments

- Draft Resolution #HSRA 23-02 regarding Approval to Issue Notice to Proceed (NTP-3) for Merced to Madera Project Section to Proceed with Merced Station Relocation