



## California High-Speed Rail

### BRIEFING: June 1, 2026 Board Meeting Agenda Item #3

**TO:** Board of Directors

**FROM:** Edward Fenn, Chief of Construction

**DATE:** June 1, 2026

**RE:** Consider Approving Award and Execution of Contract HSR25-89 for Track and Systems Construction Contract

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#### Summary

Staff recommends that the Board of Directors (Board) authorize the Chief Executive Officer (CEO) to execute and award the Track and Systems Construction Contract (TSCC) to the Best Value Proposer, Kiewit, Stacy Witbeck, Herzog – A Joint Venture for a total contract value Not-to-Exceed \$3.5 billion, and issuance of Notices to Proceed (NTP) for Package 1B for \$118,110,340.00 and Package 2 for \$260,843,101.00. Authority staff will return to the Board for approval to issue future Notices to Proceed under the TSCC.

The Contractor will provide construction services for the track and overhead contact system (OCS) on the Early Operating Segment of the California High-Speed Rail System, and design and construction services for high-speed rail systems, including traction power, train control, and communications systems.

The work will be delivered using a hybrid delivery model that incorporates managing cost and schedule, partnering, collaboration, motivation for innovation, and progressive project development.

The Contractor will work collaboratively with the Authority and the Track/OCS Design Services consultant, stakeholders, and other interfacing contractors to deliver the work.

The scope of work will proceed under the contract through multiple separate Packages, which will each have a separate cost, whether lump sum, Time and Materials, or other. Each Package will be authorized through a Notice to Proceed and an amendment to the Contract that incorporates Package specific details and scope of work.

#### 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. Track and systems are critical elements of the high-speed rail system. The 2025 Project update Report lists track and systems construction as a priority to get the Early Operating Segment operational between 2030 and 2033.

The Board approved the award of a Design Services for Track and OCS contract to the SYSTRA|TYP SA Joint Venture in its June 26, 2024, meeting. The Board also authorized the purchase of certain commoditized materials directly from suppliers at its August 25, 2025, meeting. This includes the purchase of rail, concrete ties, OCS poles, OCS system components, fiber optic cable, and ballast that will be utilized by the TSCC Contractor for construction of the high-speed rail system.

### **Prior Board Action**

This item is consistent with the scope, budget, and schedule approval of the overall Program Baseline and Budget approved by the Board in August 2025 (Agenda Item 2 Budget Update and Approval of Budget, establishing a new Program Baseline and Budget of \$36.75 billion).

On November 20, 2025, the Board provided approval to issue the Request for Proposals (RFP) for TSCC and to finalize the procurement and contractual documents prior to beginning the solicitation processes and to make necessary modifications thereto as part of the procurement processes (*see* #HSRA 25-10).

### **Discussion**

Authority staff seek approval to execute and award contract HSR25-89 for the Track and Systems Construction Contract, and approval to issue Notices to Proceed for Package 1B and Package 2.

#### *Scope of Work*

The TSCC scope of work includes:

- Construction work for the track, OCS, and remaining civil works in the 119-mile First Construction Section (CP 1 through CP 4);
- Design services and construction work for high-speed rail systems, including traction power, train control, communications systems, and SCADA systems for the 119-mile First Construction Section;
- Procurement and installation of long-lead materials and equipment not provided by the Authority;
- Northern railhead development;
- Acting as the lead integrator for all work included in the TSCC scope, including interfaces with Interfacing Contractors;
- Safety certification; and
- Testing and commissioning of the high-speed rail system.

The TSCC will also contain options that may be exercised at the Authority's discretion. Pricing for any option(s) exercised would be developed using the pricing process established in the Contract and an NTP would be issued prior to the start of any work. Options include:

- Construction, long lead items, testing, and commissioning for track, OCS, traction power, train control, telecommunications systems, and SCADA systems for the Merced Extension; and
- Construction, long lead items, testing, and commissioning for track, OCS, traction power, train control, telecommunications systems, and SCADA systems for the Bakersfield Extension.

The TSCC scope of work outlined above will be progressed through multiple Packages, as shown below.

Package 1B: Design development to obtain deliverables for original equipment manufacturer (OEM) procurement, and estimating services for Packages 5, 6, and 7, as well as Preconstruction/Program Management Work.

Package 2: Civil, track, and OCS construction of the CP 4 geographical area. This includes all construction activities specified in the Contract.

Package 3: Civil, track, and OCS construction of the CP 2-3 geographical area. This includes all construction activities specified in the Contract. Package 3 may be issued as Package 3(A) for the southern portion of CP 2-3 and Package 3(B) for the northern portion of CP 2-3.

Package 4: Civil, track, and OCS construction of the CP 1 geographical area. This includes all construction activities specified in the Contract.

Package 5: Mobilization of the Contractor’s traction power, train control, telecommunications systems, and SCADA systems installation and testing teams, including OEM suppliers, and procurement of long lead materials and equipment for systems work.

Package 6: Construction, testing, and commissioning of the train control, telecommunications, and SCADA systems, including all activities and technical specifications referenced in the Contract.

Package 7: Construction, testing, and commissioning of the traction power system, including all activities and technical specifications referenced in the Contract.

Package 8 (Option): Construction, long lead items, testing, and commissioning for track, OCS, traction power, train control, telecommunications systems, and SCADA systems for the Merced Extension.

Package 9 (Option): Construction, long lead items, testing, and commissioning for track, OCS, traction power, train control, telecommunications systems, and SCADA systems for the Bakersfield Extension.

Authority staff is seeking the Board’s approval to issue a NTP for Package 1B. The scope of work for Package 1B is design development to obtain deliverables for original equipment manufacturer (OEM) procurement, and estimating services for Packages 5, 6, and 7, as well as Preconstruction/Program Management Work. The Time and Materials / Not-to-Exceed price for Package 1B is \$118,110,340.00. The anticipated milestones for Package 1B are as follows:

<b>Anticipated Milestone</b>	<b>Date</b>
Issuance of NTP	Tuesday, June 2, 2026
Systems Provider(s) Subcontract(s) Awarded	Tuesday, June 1, 2027
Preliminary Design for Systems Complete	Wednesday, June 30, 2027

Authority staff is seeking the Board’s approval to issue a NTP for Package 2. The scope of work for Package 2 is civil, track, and OCS construction of the CP 4 geographical area. This includes all construction activities specified in the Contract. The lump sum price for Package 2 is \$260,843,101.00. The anticipated milestones for Package 2 are as follows:

<b>Anticipated Milestone</b>	<b>Date</b>
Issuance of NTP	Tuesday, June 2, 2026
Access to Package 2 Work Area (including Southern Railhead)	Wednesday, July 1, 2026
Commence Laying Track	Monday, November 30, 2026

Package 2 Track Completion	Monday, June 14, 2027
Package 2 Overhead Contact System Completion	Monday, October 18, 2027

### *Contract Term and Budget*

The anticipated total not-to-exceed dollar value for the Contract is \$3.5 billion from Contract execution until Final Acceptance of all Work, with certain obligations, such as warranty obligations, extending beyond Final Acceptance. The not-to-exceed dollar value for Package 1B is \$118,110,340.00. The lump sum dollar value for Package 2 is \$260,843,101.00. The balance of the total contract value is available for Packages 3-9, only with future Board approval.

### *Procurement Schedule*

<b>Activity</b>	<b>Date</b>
RFP Release on Cal eProcure	Wednesday, November 26, 2025
Proposals Due	Thursday, April 9, 2026
NOPA Released	Wednesday, April 29, 2026
Board Meeting (Approval of Contract)	Monday, June 1, 2026
Contract Execution	Monday, June 1, 2026
NTPs Issued for Package 1B and Package 2	Tuesday, June 2, 2026

### *Procurement Process*

The Authority issued the RFP on November 26, 2025, in accordance with the procurement schedule above. The Authority used a one-step procurement process to select a Contractor to deliver the Work. The RFP was issued to solicit information from Proposers in the form of a Proposal. The Technical Proposal and Price Proposal were evaluated to determine which Proposer provides the apparent best value to successfully deliver the Work.

### *Proposals*

Two Proposals were received in response to the RFP posted for the Track and Systems Construction Contract on or before the proposal due date of April 9, 2026.

The Proposals received were from the below Proposers:

- Kiewit, Stacy Witbeck, Herzog – A Joint Venture
- California High Speed Partners

### *Procurement Evaluation Criteria*

The RFP process was managed by the Authority staff. Proposals were reviewed in accordance with the requirements set forth in the RFP. The results of the review found that Kiewit, Stacy Witbeck, Herzog – A Joint Venture was fully responsive to the requirements. California High Speed Partners was deemed as non-

responsive due to failing to meet all requirements of the RFP. As a result, California High Speed Partners was disqualified from the evaluation process. A disqualification letter was sent on April 29, 2026.

Kiewit, Stacy Witbeck, Herzog – A Joint Venture's Proposal was evaluated and scored by an Evaluation Selection Committee (comprised of 6 Authority staff members from various program areas) pursuant to established criteria in the RFP, which included the following areas of evaluation: (Maximum Technical Score = 130)

1. Understanding of Contract and Delivery Approach (5 Points)

The extent to which the Proposal demonstrate a clear understanding of:

- (a) the unique elements of the TSCC contract and delivery approach, including the contract structure and delivery approach; and
- (b) the core technical and project management skills required for successful delivery of the Project.

2. Proposer Team, Organization, and Management Approach (5 Points)

The extent to which the Proposer's Organizational Chart and Management Approach demonstrates:

- (a) Appropriate and sufficient resources to successfully deliver the Project (excluding the Systems OEM) within the Project Schedule;
- (b) An organizational and management structure (including the proposed Key Personnel) that will facilitate efficient and effective communication between the TSCC Contractor and the Authority and within the TSCC Contractor team; and
- (c) a well-defined, collaborative approach to project management and partnering for Proposer's performance of the Work with an explanation of how it has been tailored to for the unique elements of the TSCC contract and delivery approach.

3. Major Participants Past Experience (25 Points)

The extent to which the Proposer's Reference Projects demonstrate the strength of its technical skills, experience and other qualifications for the Project, especially experience with the follow types of projects and scope elements:

- (a) High-speed rail projects;
- (b) Relevant rail systems, including train control (ETCS 2), OCS, Track (UIC60), telecommunications systems, and traction power; and
- (c) Complex projects delivered through CMGC, CMAR, progressive design-build, or similar collaborative contracting delivery methods, especially those on which the Proposer served as the prime contractor.

4. Key Personnel Past Experience (20 Points)

The extent to which the Key Personnel Resumes demonstrate the strength of their respective technical skills, experience and other qualifications to perform their proposed roles on the Project, especially experience with similar roles on the following types of projects and scope elements:

- (a) High-speed rail projects;
- (b) Relevant rail systems, including train control (ETCS 2), OCS, Track (UIC60), telecommunications systems, and traction power; and
- (c) Complex projects delivered through CMGC, CMAR, progressive design-build, or similar collaborative contracting delivery methods, especially those on which the Proposer served as the prime contractor.

5. Track and OCS Approach (15 Points)

The extent to which the Proposer's Track and OCS Approach demonstrates a clear understanding of the work requirements, and a well-defined, comprehensive approach, for the following, and in each case, the extent to which the Proposer's proposed approach will facilitate successful Project delivery:

- (a) Laying track;
- (b) Completing the mobilization work described in NTP 1 as expeditiously as possible; and
- (c) Staging and scheduling work and managing workforces to ensure construction completion of CP1, CP2, CP3, and CP4 within the Project Schedule.

6. Traction Power, Train Control, Telecommunication Systems and SCADA Systems Approach (15 Points)

The extent to which the Proposer's Systems Approach demonstrates a clear understanding of the work requirements, and a well-defined, comprehensive approach, for the following, and in each case, the extent to which the Proposer's proposed approach will facilitate successful Project delivery:

- (a) Preparation of preliminary design for the systems;
- (b) The Proposer's procurement of an OEM, including timeline and deliverables and strategies for ensuring that the TSCC Contractor will get best value proposals from at least two (2) qualified proposers;
- (c) Design management and completion of systems design with the OEM;
- (d) Development of a price for the systems, including how Proposer will ensure that pricing involves a collaborative, transparent, open-book process that will lead to a reasonable and acceptable price for the Authority; and
- (e) Construction management and oversight of the OEM.

7. Risk Management and Integration Approach (20 Points)

The extent to which the Proposer's Risk Management and Integration Approach demonstrates a clear and deep understanding of and a well-defined, comprehensive approach for the following, and in each case, the extent to which the Proposer's proposed approach will facilitate successful Project delivery:

- (a) The key risks, challenges, and opportunities related to the Project;
- (b) The risk mitigation, contingency pricing, and risk management approach for the Project;
- (c) The quality management process for Authority-provided materials and how Proposer will accept and integrate the materials into its work and manage any quality issues, when detected; and
- (d) Systems integration requirements among the track, OCS, and systems scopes of work.

8. O&M Phase Benefits (5 Points)

The extent to which the Proposer's Proposal demonstrates that its approach to systems design and construction of the entire Project, including any innovative strategies, will:

- (a) Minimize O&M and lifecycle costs; and  
Enhance rail operations.

9. Small Business Participation (5 Points)

The extent to which the Proposal demonstrates its approach to utilizing and engaging SB/MB/SB-PW/DVBE firms throughout the life of the project, including:

- (a) How the Proposer will meet the Authority’s SB goals and utilize SB firms throughout the life of the Project; and
- (b) How the Proposer will meet the Communications Plan requirements, including the approach and frequency of communications to SB firms regarding schedule, deadlines, status, and delays.

10. Past Performance Questionnaire (Form S) (15 Points)

The extent to which the Proposal demonstrates the Proposal Team’s past experience applicable to the project, including:

- (a) Ability to minimize claims, change orders, and/or disputes; and
- (b) Ability to meet schedule and cost targets for past projects.

After the Evaluation Selection Committee finalized Kiewit, Stacy Witbeck, Herzog – A Joint Venture’s Technical Proposal Score of 116.45 points, the Evaluation Selection Committee Chairperson, Procurement, and Finance opened the Proposer’s sealed Price Proposal, which remained in a secure location until after the Minimum Qualifications check was completed and the Technical Proposal was evaluated and scored. The Price Proposal was evaluated and scored out of a maximum of 70 points in accordance with the RFP. Kiewit, Stacy Witbeck, Herzog – A Joint Venture received a Price Proposal Score of 70 points. A Notice of Proposed Award was posted on April 29, 2026, identifying the top-ranking Proposer as Kiewit, Stacy Witbeck, Herzog – A Joint Venture based upon the following scores:

Proposer	Final Score	Rank
Kiewit, Stacy Witbeck, Herzog – A Joint Venture	186.45	1
California High Speed Partners	N/A	N/A

A letter of protest was received on May 5, 2026 from California High Speed Partners and processed in accordance with the RFP. The Authority issued a response on May 13, 2026 and the protest is pending resolution.

Negotiations were conducted and concluded with the highest-ranked Proposer and Authority staff will execute the contract upon approval.

**Subcontractors**

The following subcontractors were identified in Kiewit, Stacy Witbeck, Herzog – A Joint Venture’s proposal.

Kiewit Engineering Group Inc.(KEGI)
Arup US, Inc. (Arup)
Salcef S.p.A. (Salcef)
Ingeniería y Economía del Transporte S.M.E. M.P., S.A. (Ineco)
IDOM Inc (IDOM)
Mass. Electric Construction Co. (MEC)
Modern Railway Systems (MRS)
Herzog Technologies, Inc. (HTI)
CPM Logistics LLC
Anbessaw Consulting Inc dba The Quality Firm
Comprehensive Security Services Inc

Team Reliant Inc.
Galvan Reinforcing Company, Inc.
KAAK Trucking Services Inc
Marinship Development Interest LLC
Red Hawk Fence
V3 Construction, Inc.
Malcom Drilling Company, Inc.
Pacific Waterproofing & Restoration, Inc.
Cor-Ray Painting Co.
Pacific Railway Enterprises, Inc.
RSE Corporation

**Small Business Program Goals**

This procurement carries a 25% Small Business commitment goal, inclusive of a 3 percent carveout for Microbusiness, as well as a 10 percent DBE goal and a 3 percent DVBE goal. The best value proposer has signed a Certification that they will commit to this goal.

**Legal Approval**

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

This RFP and procurement process was conducted with the assistance of, and under review of, the Authority’s Legal Office. The Legal Office has reviewed this contract and the relevant laws, regulations, and policies, and deems this contract to be legally sufficient for execution.

**Budget and Fiscal Impact**

The proposed contract commitment is not-to-exceed \$3.5 billion and will be encumbered with each NTP commitment authorized by the Board. This request seeks to commit (encumber) \$378.9 million in funding for NTP1B and NTP2. The fund source for these NTPs is Cap-and-Invest funding which is continuously appropriated to the Authority. The Program Baseline and Budget already contemplated the advancement of these NTPs and is aligned with the Board approval of the Program Baseline and Budget (August 28, 2025 Agenda Item 2, Board Resolution #25-07).

Future NTPs will be reviewed as they arise for funding and budget authority.

**Recommendations**

Authority staff is recommending Board approval to:

- (1) Authorize the Chief Executive Officer (CEO), or designee of the CEO, to execute and award a contract to the best value proposer, Kiewit, Stacy Witbeck, Herzog – A Joint Venture, for a total contract value not-to-exceed \$3,500,000,000.00. This does not require a change to the previously approved overall Track and Systems Construction Contract budget of \$3,500,000,000.00. Authority is granted to make non-substantive changes to the Contract as needed for execution.
- (2) Authorize the Chief Executive Officer (CEO), or designee of the CEO, to issue a Notice to Proceed for Package 1B to the best value proposer, Kiewit, Stacy Witbeck, Herzog – A Joint Venture, for a Time and Materials/Not-to-Exceed price of \$118,110,340.00.

- (3) Authorize the Chief Executive Officer (CEO), or designee of the CEO, to issue a Notice to Proceed for Package 2 to the best value proposer, Kiewit, Stacy Witbeck, Herzog – A Joint Venture, for a lump sum price of \$260,843,101.00.
- (4) Authority staff will seek additional Board approval(s) prior to the issuance of future Notices to Proceed under the Track and Systems Construction Contract.

### **Attachments**

- Track and Systems Construction Contract PowerPoint Presentation
- Draft Board Resolution #HSRA 26-07 Approval to Award and Execute Contract HSR25-89 for Track and Systems Construction Contract