

STAFF REPORT FOR CALENDAR ITEM NO.: 16
FOR THE MEETING OF: September 11, 2025

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Approve modifications to the Downtown Rail Extension, also known as The Portal, Project Delivery approach by combining Contracts 50-TS, Track and Systems, and 55-YB, 4th and King Yard Preparation, Package B, At-grade Track and Systems and other related recommendations.

EXPLANATION:

Background

At its July 2022 meeting, the TJPA Board of Directors approved the Downtown Rail Extension, also known as The Portal, Project Delivery approach in accordance with the recommendations of the Project Delivery Alternatives Study (PDAS). The PDAS described a study of various traditional and alternative contracting approaches to deliver The Portal using a risk-based assessment.

Contract	As approved (July 2022)
10-UR, Utility Relocation	Advance utility relocation of over twenty public and private utilities using Design Bid Build (DBB).
20-4KY, 4th and King Yard	Relocation or removal of structures, site clearing, rearrangement of track, overhead catenary, and supporting facilities using DBB.
30-BD Building Demolition	Demolition of seven buildings as required for The Portal construction using DBB.
40-CT, Civil and Tunnel	Construction of tunnel, throat, and civil structures including Fourth and Townsend station box, two ventilation structures, and certain utility temporary support and/or relocation using Progressive Design Build (PDB)
50-TS, Track and Systems	Installation of track and rail systems Potentially combine with 60-SF, Station Fit-out using Construction Management General Contractor (CMGC)
60-SF, Fourth and Townsend and Salesforce Transit Center Fit-out	Mechanical, electrical, plumbing, and architectural finishes at Fourth and Townsend Station, Salesforce Transit Center, and the two ventilation structures using CMGC and potentially combine with 50-TS, Track and Systems.

At its November 2023 meeting, the TJPA Board of Directors approved modifications to the Portal PDAS. Specifically, the Board approved four (4) staff recommendations to modify the original PDAS recommendations, based upon further project development and advancing risk mitigation strategies.

Specific to this requested action, at the November 2023 meeting, the Board approved staff's recommendation No. 2. This recommendation consisted of:

1. Dividing the 4th and King Yard Preparation (20-4KY) into two packages:
 - a) Contract No. 20-4KYA (since renamed to No. 20-YA): 4th and King Yard Preparation Package A: Site Clearing. In summary, this contract provides for the relocation or removal of structures, utilities, signal/power/communications, and storage tracks, along the northern and western portions of the 4th and King Railyard.
 - b) Contract No. 21-4KYB (since renamed to No. 55-YB): Yard Track and Systems. In summary, this contract provides for modifications and additions to at-grade trackwork and associated systems to facilitate the project's u-wall construction and connection to the project below-grade trackwork and systems.
2. Deferring the decision on contract delivery agency

Since the Board's approval, the TJPA and Caltrain, along with the Integrated Project Management Team (IPMT), have continued to develop project design to further refine the project delivery approach, optimize the passenger experience, and identify and mitigate delivery risk.

In early 2025, The Portal Integrated Program Delivery Team (IPDT), which includes the TJPA and staff supplementation from the Program Management Construction Management (PMCM) team, Caltrain and California High Speed Rail Authority, undertook a focused, risk-based evaluation of the earlier recommendations for procuring work at the 4th and King Yard and the Track and Rail Systems work for The Portal. The following questions were considered:

1. Should the Track and Systems (50-TS) contract package be procured under a two-stage tender process by issuing a Request for Qualifications (RFQ) followed by a Request for Proposals (RFP) to a shortlist.
2. Should the Yard Track and Systems (55-YB) and Track and Systems (50-TS) contracts be procured separately, as previously adopted by the Board at its November 9, 2023 meeting.
3. Should TJPA use a construction manager/general contractor (CMGC) delivery model for both 55-YB and 50-TS, either separately or in combination, depending upon the decision stemming from Question No. 2? The Board had previously adopted (before 55-YB and 20-YA were separated) a DBB delivery method for 20-YA, while the 50-TS contract was approved as a CMGC delivery method.
4. Who is the appropriate construction contracting agency to oversee the 50-TS work? Previously, the Board, at its November 9, 2023 meeting, deferred the decision of the appropriate contract delivery agency for the two contract packages within the 4th and King Yard until further design work was completed.

The evaluation team developed a list of study-specific procurement objectives, consistent with those in the Board adopted PDAS to guide the evaluation, shown below.

Procurement Objective	Evaluation Considerations
Safety	Provides a safe environment for workers during construction
Market Interest and Competition	Matches contractor capability to specialty and complexity of scope
	Promotes a suitable pool of capable contractors competing for the work
	Supports early work packages, such as the access roads
Schedule	Supports the delivery of the Project's overall scheduled completion date
	Provides opportunity for schedule flexibility and acceleration
Value	Supports the development of the most accurate contract price
	Optimizes the chance of a reduction in contract price
	Reduces the likelihood of variations to the contract price after contract award
Design Flexibility and Adaptability	Enables the TJPA to progressively develop scope and refine requirements
	Optimizes best practices regarding phasing and construction of the work
	Manages risk through a flexible design
Risk	Promote effective risk management
	Manages system interface risk (relocation of track and systems)

In summary, the team concluded:

1. A two-step procurement process will require increased resources from both the TJPA and participating agency partners. The unique purpose of the two-step process is to create a shortlist, which industry finds attractive, as it prevents a long list of firms from incurring the considerable cost of preparing a full proposal.

However, there are a limited number of firms with the technical capability and of sufficient size to execute the 50-TS contract, which has an estimated value of more than \$700 million (when combined with the 55-YB scope). Because the number of qualified prime contractors with the requisite experience and capacity for this type of work appears limited, the combined package does not require a separate RFQ and shortlist.

2. It is critical to maintain the integrity of the Track and Systems scope to ensure a fully functional rail extension, whether above ground (50-TS) or below ground (55-YB); and to reduce rail operations and maintenance complexity and cost by combining 55-YB and 50-TS into a single package.
3. Delivering the 55-YB and 50-TS as a single package eliminates the need to manage the risk interface between the contracts since the construction of the respective package scope would be delivered by a single contractor. It also reduces the interface risk for the 40-CT contract package, as there would be one less interface (and contractor) for the Civil and Tunnel contractor. Additionally, it is more efficient to coordinate with a single contractor to assess and implement optimization of construction sequencing thus limiting impact to rail operations.
4. Utilizing CMGC as the delivery method provides IPDT control over specifications and planned construction work in a "live" rail operations environment. Given that The Portal

is an extension of the Caltrain system, with its newly electrified service and train control systems, the assessment concluded IPDT management of the designer, combined with the collaborative opportunities a CMGC contracting method offers, particularly in the pre-construction phase, is the most advantageous approach for delivering this scope.

In addition to the above, TJPA and Caltrain delivery staff have recommended that TJPA serve as delivery agency for the 50-TS work, with responsibility to award and manage the construction contract, and Caltrain, having decision making authority for safe rail operations and integration of the combined Track and Systems work, through its role in the IPDT. This approach was supported by the IPMT and presented to the Executive Working Group (EWG). Staff are working together to develop a future agreement to be presented to the respective Boards addressing Caltrain Railyard access and associated track and systems work. Under the IPDT framework, Caltrain holds leadership level and project delivery roles with TJPA supported by its consultants, with shared decision-making authority for delivery of The Portal. This approach has several benefits:

1. Assigning the procurement of the packages to the TJPA eliminates the necessity to mediate contractual disputes between the contractor and the GEC across two agencies (TJPA and Caltrain).
2. The requirement to work with Caltrain as a third-party having jurisdiction, a potentially arduous process required additional time and increased administrative burden is avoided.
3. Authority and responsibility for project delivery and operator requirements remain clear and consistent, permitting greater accountability than a disaggregated delivery structure.
4. The Portal benefits from Caltrain's delivery and technical expertise, bringing relevant knowledge of operational requirements and recent experience from delivering Electrification.

RECOMMENDATION:

It is recommended that the Board approve modifications to the Project Delivery approach as follows:

1. Adopt a single stage competitive procurement for the 50-TS Track and Systems contract
2. Combine the 50-TS Track and Systems and 55-YB Yard Track and Systems contracts into a single 50-TS Track and Systems contract which will include both scopes.
3. Ratify the use of a CMGC procurement method for the 50-TS Track and Systems contract
4. Determine that TJPA will be the delivery agency for the 50-TS Track and Systems contract with Caltrain retaining decision-making authority for safe rail operations through its role in the IPDT.

ENCLOSURE:

1. Resolution

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. _____

WHEREAS, The Transbay Joint Powers Authority (TJPA) is a joint powers agency organized and existing under the laws of the State of California; and

WHEREAS, Pursuant to state law and the Joint Powers Agreement creating the TJPA dated April 4, 2001, the TJPA has primary jurisdiction over and will implement all aspects of the Transbay Program, including the portion of the Transbay Terminal/Caltrain Downtown Extension/ Redevelopment Project, also known as The Portal; and

WHEREAS, The TJPA is actively engaged in developing The Portal; and

WHEREAS, On July 14, 2022, the TJPA Board of Directors approved the Downtown Rail Extension Project Delivery approach as recommended by the Integrated Program Management Team (IPMT) and Executive Steering Committee (ESC) and based on the Project Delivery Alternatives Study; and

WHEREAS, After the Board's approval of the Project Delivery approach, the project delivery team, which includes the initial operator - Caltrain, and IPMT, continued to develop project design while continuing outreach with the construction industry and various transit agencies, to refine the project delivery approach; and

WHEREAS, This additional work identified four opportunities to optimize the delivery approach to mitigate TJPA and Caltrain risk through better interface management, addressing concerns for safe and continuous transit service at the Fourth and King Station and Railyard, and better align with industry feedback; and

WHEREAS, On November 9, 2023, the TJPA Board of Directors approved the four recommended modifications, supported by the IPMT and ESC, to the Project Delivery approach; and

WHEREAS, The Portal project team further evaluated the Project Delivery approach and recommends additional modifications; now, therefore, be it

RESOLVED, That the TJPA Board of Directors approves Recommendations 1 through 4, modifying the Project Delivery approach as presented in the accompanying Board Report presented herewith.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of September 11, 2025.

Secretary, Transbay Joint Powers Authority