

Rail bid lower than state's estimate

Tim Sheehan, Fresno Bee, 4-13-13

A trio of American companies outbid four other teams vying to build the first segment of California's proposed high-speed train system – and for several hundred million dollars less than state engineers estimated.

The consortium of Tutor Perini Corp. of Sylmar, Zachry Construction Corp. of Texas and Parsons Corp. of Pasadena offered the low bid of less than \$1 billion. Five construction teams submitted bids in January to the California High-Speed Rail Authority for the first stretch of the rail line from east of Madera to the south end of Fresno.

Engineers for the rail authority had at one time estimated that the 28-mile portion would cost between \$1.5 billion and \$2 billion to design and build. More recent estimates suggested the bids would likely come in at \$1.2 billion to \$1.8 billion.

The winning bid of just under \$1 billion was deemed the "apparent best value" by the rail authority, based on a total score that considered both price and technical expertise. While Tutor/Zachry/Parsons had the lowest technical score of the five bids – 20.55 out of 30 possible points – it also racked up 70 out of 70 points in the financial assessment.

The other four bids were:

- About \$1.1 billion by Dragados/Samsung/Pulice, a joint venture of Dragados SA of Spain; Samsung C&T America, a subsidiary of South Korean multinational Samsung Group; and Pulice Construction Inc. of Arizona.
- About \$1.3 billion by California High-Speed Rail Partners, composed of Fluor Corp. of Texas, Swedish-based Skanska and PCL Constructors of Canada.
- About \$1.4 billion by California Backbone Builders, a consortium of two Spanish construction firms, Ferrovial Agroman and Acciona.
- Almost \$1.54 billion by California High-Speed Ventures, made up of Kiewit Corp. of Nebraska, Granite Construction of Watsonville and Comsa EMTE of Spain.

"Today is a significant milestone," authority CEO Jeff Morales said in a written statement.

The bid rankings are a preliminary step, however. Rob Wilcox, a spokesman for the rail authority, said a contract proposal will be presented to the agency's board for approval within weeks. Construction is set to begin by July.

Detailed reports from 2011 estimated that rail construction would be directly responsible for about 1,300 jobs each year in the Valley during the four- to five-year construction period, with additional spin-off jobs resulting from the activity. The contract calls for builders to hire small businesses, including companies owned by minorities, women and disabled veterans, as subcontractors for 30 percent of the work.