



**ITEM ID:** 2025-130-0

**TRANSMITTAL DATE:** February 21, 2025

**MEETING DATE:** February 28, 2025

**TO:** Board of Directors

**FROM:** Arnold Hackett, Chief Financial Officer

**SUBJECT:** Purchase Order No. PO978-25 - Air Brake Components and Overhaul Services - Recommendation to Award - Knorr Brake Corporation

### **Issue**

The Authority's Materials Management Department requires an agreement with Knorr Brake Corporation to allow for the purchasing of new brake calipers, manifolds, and other air brake components and as needed brake overhaul services. These items are needed to perform preventive maintenance as required by the FRA on the air brake system of our DMU fleet.

### **Recommendation**

Contracts, Operations, Maintenance, and Safety Committee recommended (4-0) that the Board authorize the Chief Executive Officer (CEO) to award Purchase Order No. PO978-25 to Knorr Brake Corporation for the purchase of as needed new Air Brake Components and Overhaul Services for a two-year term and an estimated not-to-exceed authority of \$1,500,000.

### **Strategic Commitment**

The report aligns with the Strategic Business Plan commitment of:

- **Customers Are Our Business:** We respect and value our customers, putting them at the heart of all we do, and work hard to attract and retain new customers by understanding their needs and finding new and innovative ways to delight them. This single source contract allows Metrolink the ability to purchase the required components and to maintain enough components in inventory to ensure that DMUs are available for continued service on the Arrow Line.

## **Background**

In August 2024 after a temporary Arrow service suspension due to the air brake maintenance of all three DMUs being out of Federal compliance, it was determined that for the required maintenance to be performed in a timely manner, the Authority had to procure enough components to complete three air brake kits. After all of the components were identified, it was determined that Knorr is the Original Equipment Manufacturer (OEM) for most of the required components. Staff requested a quote from Knorr for enough components to complete three kits and for their services to overhaul the components being replaced. Knorr provided the overhaul proposal on October 10, and the final quote for new components on November 13.

Knorr quoted \$903,642 for the purchase of the new components, and \$398,901 for the overhaul of the components currently installed in the DMUs, for a total of \$1,302,543.

## **Discussion**

Knorr Brake Corporation is the OEM of the parts and materials needed to keep the air brake system of the DMUs in compliance. While available from other sources, such as the manufacturer of the DMUs, going directly to the OEM removes an additional 38% mark-up added by other third-party distributors.

The Single Source Procurement method was requested and approved by the Board of Directors at the December 13, 2024, Board Meeting. This Purchase Order will allow the Material Management department to place orders for the required air brake components on a schedule which will reduce the possibility of having multiple DMU units out of service for long periods of time while waiting for parts to be overhauled and repaired. The management of these parts and services will be transferred to Stadler once the mobilization to take on the maintenance of the Arrow fleet is complete in March of 2025.

## **Budget Impact**

The amount for which contract authority is being requested will be included in the proposed Arrow operating budgets for FY26 and FY27 in the following amounts: \$903,642 in FY26 and \$596,358 in FY27.

## **Next Steps**

Upon Board approval, the Authority will issue Purchase Order number PO978-25 with Knorr Brake Corporation for as needed purchase of Air Brake Components and Overhaul Services.

Prepared by: Eduardo Tovar, Manager II, Inventory Control

Approved by: Arnold Hackett, Chief Financial Officer