



ITEM ID: 2025-324-0

TRANSMITTAL DATE: October 17, 2025

MEETING DATE: October 24, 2025

TO: Board of Directors

FROM: Tom Schamber, Chief Financial Officer

SUBJECT: Sole Source Contract EP250-26 with Progress Rail Locomotive Inc and Single Source Contract EP251-26 with Quinn Power Systems for Procurement of Locomotive Parts and Repair Services for Maintenance of Locomotive Fleet

Issue

The Authority's Materials Management Department is seeking approval to negotiate a multi-year sole source contract with Progress Rail Locomotive Inc and a multi-year single source contract with Quinn Power Systems to allow for the purchase of new parts and for repair services needed to perform maintenance of the Authority's locomotive fleet.

Recommendation

Contracts, Operations, Maintenance, and Safety Committee recommended (3-0) the Board authorize the Chief Executive Officer to negotiate and award:

1. A three-year term Sole Source Contract with Progress Rail Locomotive Inc. for the procurement of new parts and repair and return services for an estimated not-to-exceed amount of \$8,000,000; and
2. A three-year term Single Source Contract with Quinn Power Systems Inc for the procurement of new parts and repair and return services for an estimated amount not-to-exceed \$6,500,000.

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 and maintain adequate inventory of the parts needed to support the timely maintenance of the Authority's Locomotive Fleets.

Background

Progress Rail Locomotive Inc. is the Original Equipment Manufacturer (OEM) of the Authority's F125 Locomotives. It is also the main supplier for many of the components used by our legacy fleets. Quinn Power Systems is the dealer authorized by Caterpillar to sell engine components to the Authority. Caterpillar is the OEM of the C175-20 Engines that power our F125 Locomotives and C-27 Engines which power our legacy fleets.

Currently the Authority purchases parts and repair and return services from Progress Rail Locomotive and Quinn Power Systems on an as needed basis utilizing contract authority approved by the Board each fiscal year through its annual budget request process. On June 27, 2025, the board approved annual contract authority of \$3,500,000 for contract PO759 for Progress Rail Locomotive Inc and \$2,500,000 for contract PO409 for Quinn Power Systems under Item 6.A, attachment L (Annual Contract Authority Renewal). The successful negotiation of multi-year contract agreements with these suppliers will replace the yearly request brought before the board for annual contract authority for these suppliers.

Discussion

Progress Rail Locomotive Inc is the Authority's main supplier for 340 one-time-use parts and 84 repairable parts, and Quinn Power Systems is the Authority's main supplier for 293 one time-use-parts and 15 repairable parts for the maintenance of its locomotive fleets. By establishing multi-year agreements with these suppliers, the Authority will be able to negotiate favorable terms, shorter lead times, and lock in set pricing. This will allow for better forecasting and improve availability of key components to support timely maintenance of the Locomotive fleets.

In addition, establishing multi-year contracts will also streamline the procurement process and significantly reduce purchase order processing times for orders from these suppliers. Instead of requesting new quotes for every purchase order, these contracts will allow for the creation of blanket purchase agreements within our ERP system. With pricing already set, the procurement department will be able to process purchase orders in a more efficient and cost-effective manner.

Budget Impact

For FY26 the contract authority requested will be \$1,600,000 for Progress Rail Locomotive, and \$1,000,000 for Quinn Power Systems. These amounts are included in the FY26 operating budget for the Materials Management department. Funds needed for subsequent fiscal years will be requested through the annual budget process.

Next Steps

Upon approval of this request, staff will negotiate pricing with Progress Rail Locomotive Inc and Quinn Power Systems for three-year agreements for new parts and repair services that will be awarded by the CEO.

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Approved by: Tom Schamber, Chief Financial Officer