



ITEM ID: 2026-220-0

TRANSMITTAL DATE: June 18, 2026

MEETING DATE: June 26, 2026

TO: Board of Directors

FROM: Tom Schamber, Chief Financial Officer

SUBJECT: **FY2026-27 Annual Contract Authority for Purchase of Various Original Equipment Manufacturer Components, Information Technology Products, Administrative and Operating Services, Maintenance, Repair, and Operations Services, and Leases.**

Issue

Annual authorization is required to continue the purchase of various Original Equipment Manufacturer (OEM) components, Information Technology products, administrative and operating services, maintenance, repair, and operations services, and leases.

Recommendation

It is recommended that the Board authorize the Chief Executive Officer to approve the contract authority of the list of Annual items in Attachment A in a total not-to-exceed amount of \$28,894,801 for FY2026-27, and to extend the terms to June 30, 2027, contingent upon Board approval of the FY2026-27 Operating Budget. The approval of contract authority does not represent a commitment in the Budget, and purchases will be based on actual needs and subject to budget availability.

Strategic Commitment

This report aligns with the Strategic Business Plan commitment of:

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy, while bringing our system into state of good repair and investing in the development of employees. These components and services support the Authority's business functions and system.

Background

The Annuals Process has been a long-term practice for the Agency, and in past years, the Annuals were part of the Budget Approval process.

The Authority began using the annual Board approval process in 2013 to seek annual authority for five categories, including:

1. Software License, Maintenance, and Support Agreements (Licenses)
2. Original Equipment Manufacturers Agreements for Rolling Stock Components, Communication Signal Equipment, and Positive Train Control Requirements (OEMs)
3. Maintenance, Repair and Operations Agreements (MROs)
4. Administrative and Operating Services Agreements (Admin & Ops)
5. Communication Network Towers and Related Leasing Agreements (Towers)

As part of the Annuals development process, staff assessed the services and agreements included in Attachment A to ensure compliance with the Procurement and Contracting Policies, last modified on April 1, 2026. The requested annual authority for the agreements listed in Attachment A is based on estimates developed by the respective Project Managers as part of the FY2026-27 budget development process. This year, since budget adoption was deferred, the Annuals are being requested separately.

Discussion

Authorization is required for the annual agreements listed below:

Software License, Maintenance, and Support Agreements (Licenses)

Annual license and support renewals for various required software packages and services to continue Authority operations, including the network, financial system, asset management, train scheduling, safety management, Computer Aided Dispatch system, and Positive Train Control (PTC). The PTC software in use is proprietary and requires licenses, subscriptions, and/or support agreements with the manufacturer or designated distributor.

Original Equipment Manufacturers Agreements for Rolling Stock Components, Communication Signal Equipment, and Positive Train Control Requirements (OEMs)

Purchase components and parts to continue the maintenance and rehabilitation of the Authority's rolling stock components and fulfill track and communication, signal, and Positive Train Control requirements.

Maintenance, Repair, and Operations (MRO) Agreements

These agreements are for goods, services, and materials, to support facility maintenance and operations - the goods and services being purchased under these agreements consist of routine shop supplies required to support maintenance and repair work.

Administrative and Operating Services Agreements (Admin & Ops)

These administrative and operating agreements support the Authority's business functions

and system.

Communication Network Towers and Related Leasing Agreements (Towers)

The Authority requires communication tower lease agreements within the Authority's right-of-way and at strategic remote locations to support Train Control Systems, including Positive Train Control (PTC) and the Authority's communication network.

Budget Impact

The amounts for which annual authority is requested are included in, and contingent upon, the adoption of the Proposed FY2026-27 Operating Budget. For the period July 1, 2026 through September 30, 2026 funds will be provided by the FY27 Continuing Appropriations Resolution, and contingent upon its approval.

Next Steps

Upon approval by the Board, staff will issue as-needed purchase orders based on actual needs and subject to budget availability.

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Approved by: Tom Schamber, Chief Financial Officer

Attachment(s)

[Attachment A - Annuals for FY27
Presentation - FY2026-27 Annual Contract Authority](#)