



ITEM ID: 2025-175-0

TRANSMITTAL DATE: April 4, 2025

MEETING DATE: April 11, 2025

TO: Contracts, Operations, Maintenance, and Safety Committee

FROM: Arnold Hackett, Chief Financial Officer

SUBJECT: Annual Contract No. PO757-25 Recommendation to Increase Authority - Wabtec Passenger Transit Division

Issue

The Materials Management Department utilizes annual contract PO757-25 to purchase new components and repair and return services from Wabtec Passenger Transit to support the maintenance of the rolling stock equipment. The requested increase in contract authority will help ensure the continued availability of components needed to help maintain the rolling stock equipment in a state of good repair.

Recommendation

It is recommended that the Committee recommend the Board authorize the Chief Executive Officer (CEO) to increase the authority of annual Contract PO757-25 by \$550,000 for a new total not-to-exceed amount of \$3,575,000.

Strategic Commitment

This 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. The increase in contract authority will allow the Materials management department to continue purchasing new components, as well as continue sending components to Wabtec Passenger Transit to get them repaired in a timely manner to ensure enough rolling stock equipment is available to support Metrolink's service.

Background

On June 28, 2024, the Board of Directors approved the not-to-exceed annual authority of \$2,750,000 for Wabtec Passenger Transit Div. Contract PO757 as part of the "FY2024-25 Annual Contract Authorization" (Agenda item 7A, Attachment I).

On June 28, 2024, the Contracts and Procurement Department issued PO757-25-001 to Wabtec Passenger Transit Div in the amount of \$907,265.60 for the purchase of new Disc Brake Unit Cores needed to support the scheduled 5-year Preventive Maintenance of the of F125 Locomotives. The request to purchase additional cores to support the 5-year preventive maintenance was unknown at the time of the preparation of the original annual amount request.

On November 20, 2024, using the authority provided by Paragraph D of Section 3 of the Authority's Procurement and Contracting Policies, (Chief Executive Officer's Delegated Procurement Approval Authority), which authorizes the CEO to approve increases in contract authority up to 10% of the original Board-approved amount. The CEO authorized a 10% increase in annual authority for contract PO757-25 increasing the total to \$3,025,000, but due to the unexpected needs and higher costs in products and services, the new total is not enough to close out FY25.

Discussion

Metrolink utilizes annual Contract PO757-25 to purchase new components for which Wabtec Passenger Transit is the OEM. Additionally, Wabtec Passenger Transit provides repair and overhaul services of air brake components needed to perform required preventive maintenance of the passenger and Locomotive fleets.

Due to the higher-than-expected orders for new components, the original requested amount of \$2,750,000 and the 10% increase authorized by the CEO have been depleted. The increase of \$550,000 is needed to allow Metrolink the ability to continue purchasing parts from Wabtec, as well as continue using their services to repair components needed to maintain the rolling stock fleets in a state of good repair for the remainder of FY25.

Budget Impact

The amount for which contract authority is requested is included in the operating budget for FY25.

Next Steps

Should the Board approve this recommendation, staff will issue as needed Purchase Orders to Wabtec Passenger Transit.

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Approved by: Arnold Hackett, Chief Financial Officer