



ITEM ID: 2026-114-0

TRANSMITTAL DATE: January 16, 2026

MEETING DATE: January 23, 2026

TO: Board of Directors

FROM: Tom Schamber, Chief Financial Officer

SUBJECT: Purchase Order MTL2606717 - Sole Source procurement of a C175-20 Locomotive Engine - Progress Rail Locomotive Inc.

Issue

The Authority's Materials Management Department needs an additional C175-20 engine to increase its spare core pool for the F125 locomotives.

Recommendation

It is recommended that the Board authorize the Chief Executive Officer to negotiate and award Sole Source Purchase Order MTL2606717 to Progress Rail Locomotive Inc. in a total not-to-exceed amount of \$1,100,000 for the purchase of a new C175-20 Locomotive Engine.

Strategic Commitment

The report aligns with the Strategic Business Plan commitment of:

- **Customer 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 find new and innovative ways to delight them. The purchase of a spare engine will ensure that the materials management department has enough engines available to support timely maintenance of the F125 Locomotive fleet.

Background

The F125 Locomotive fleet is undergoing a manufacturer recommended 18,000 service-hour overhaul. Currently the Authority owns three spare engines cores. Due to the overhaul

project's schedule and capacity, as well as the fact that several in-service engines are already operating beyond the recommended overhaul point, it is absolutely necessary to add another C175-20 engine to the available core pool to support the overhaul project, as well as any potential engine failure.

The Finance department's Materials Management unit is responsible for the procurement of parts and other resources needed to operate the Authority's fleet. Staff is working closely with the Operations department to develop a strategic approach to materials procurement to ensure we have what we need, when we need it, to run reliable and safe service. This engine purchase is an outcome of that effort, and such decision-making will continue to be applied during the FY27 budget process and beyond.

Discussion

Although Caterpillar is the manufacturer of the C175-20 engines powering the F125 locomotives, Progress Rail Locomotive Inc. is the manufacturer of the locomotive and the only Caterpillar authorized dealer to sell new C175-20 engines to the Authority. The supplier has a 54-week lead time for this engine. Should this request be approved, delivery will likely happen in 2027.

Budget Impact

The amount for which contract authority is requested was included in the proposed Materials Management FY27 operating budget.

Next Steps

Upon approval by the Board, Staff will reach out to Progress Rail Locomotive Inc. to negotiate pricing and issue a purchase order for the engine.

Prepared by: Eduardo Tovar, Manager II, Inventory Control

Approved by: Tom Chamber, Chief Financial Officer

Attachment(s)

[Presentation - Sole Source Progress Rail Locomotive](#)