



ITEM ID: 2023-228-0

TRANSMITTAL DATE: June 16, 2023

MEETING DATE: June 23, 2023

TO: Board of Directors

FROM: Arnold Hackett, Chief Financial Officer

SUBJECT: FY2023-24 Annual Authorization and Extend Period of Performance for Maintenance, Repair, and Operations Agreements

Issue

Continued use of cooperative agreements for goods, services, and materials, is required 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 performed in the locomotive and car repair shops, as well as by Information Technology (IT), Track, Facilities, and other departments.

Recommendation

CONTRACTS, OPERATIONS, MAINTENANCE, AND SAFETY COMMITTEE RECOMMENDED (5-0) the Board approve a total not-to-exceed annual amount of \$3,054,500 for FY2023-24 for the Maintenance, Repair, and Operations (MRO) agreements listed in Attachment A and to extend the terms to June 30, 2024, contingent upon Board approval of the FY2023-24 budget.

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 a state of good repair and investing in the development of our employees. These various MRO agreements support the Authority's business functions and Metrolink system.

Background

The purchase agreements listed in Attachment 1 were entered into through cooperative agreements with the following entities:

- California Multiple Award Schedules (CMAS)
- National Association of State Procurement Officials (NASPO)
- National Cooperative Purchasing Alliance (NCPA)
- School Project for Utility Rate Reduction (SPURR)
- Omnia Partners (Omnia)
- Sourcewell

Cooperative agreements pool the purchasing power of public agencies to achieve bulk volume discounts and competitive prices. Cooperative purchasing arrangements work particularly well for agencies such as the Authority, which on their own have limited volume purchasing power. The competitive process followed by cooperative purchasing agencies in developing agreements is as stringent as the Authority's solicitation process.

The goods and services being purchased under these agreements consist of routine shop supplies required to support maintenance and repair work performed in the locomotive and car repair shops, as well as by IT, Track, Facilities, and other departments. Materials procured through these agreements include grinding wheels, cutting blades, drill bits, nuts, bolts, and lubricants; Personal Protective Equipment and safety supplies; and consumable car and locomotive items such as bulbs, ballasts, fittings, and filters. Supplies and services procured through these agreements include computer peripherals, postage refills, paper supplies, and support services for printing devices.

Discussion

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 Annuals development process, staff assessed the services and agreements included in Attachment A to ensure that they were appropriate to maintain in the FY2023-24 Annuals.

The requested annual authority for agreements included in Attachment A are based on estimated amounts developed by the respective Project Managers. The Project Managers, along with the Authority's Budget Team, have confirmed that the requested amounts are reflected in each Department's corresponding annual budget requested.

Disadvantaged Business Enterprise (DBE) Requirements

Purchase Order No. PO489 was not assigned a DBE goal as no subcontracting opportunities are available.

The remaining agreements are not federally funded; therefore the DBE program is not applicable.

Budget Impact

The amounts for which annual authority is requested are included in, and are contingent upon, the adoption of the Proposed FY2023-24 Operating Budget (\$3,054,500).

Next Steps

Upon Board approval of these Annual items, and approval of the FY2023-24 budget, staff will execute the Annual items beginning on July 1, 2023.

Prepared by: Brian Jacob, Senior Contract and Compliance Administrator

Approved by: Arnold Hackett, Chief Financial Officer

Attachment(s)

[Attachment A - FY24 Annuals - MRO](#)