



**ITEM ID:** 2025-251-0

**TRANSMITTAL DATE:** June 20, 2025

**MEETING DATE:** June 27, 2025

**TO:** Board of Directors

**FROM:** Tom Schamber, Interim Chief Financial Officer

**SUBJECT:** Contract No. PO983-25 - Provision of Railroad Wood Ties - Recommendation to Award - Gemini Forest Products

**Issue**

The Authority requires Wood Ties to support the continued maintenance and rehabilitation of its right-of-way system.

**Recommendation**

It is recommended that the Board authorize the Chief Executive Officer to award Contract No. PO983-25 for the Provision of Railroad Wood Ties to Gemini Forest Products in a not-to-exceed amount of \$11,800,000 for a base term of three years, with two one-year renewal options. The options may be exercised at the discretion of the CEO. This award is subject to the resolution of any timely submitted protest.

**Strategic Commitment**

The report aligns with the Strategic Business Plan commitment of:

- **Safety is Foundational:** We will stay on the leading edge by deploying new technologies and processes to enhance the safety and security of our riders, employees and the communities we serve.

**Background**

Railroad ties perform a critical function in maintaining track structure – they contribute to alignment, proper gauge (distance between the rails), keep each rail in an upright position,

and transfer loads to the ballast and subgrade. Defective railroad ties can result in the track losing proper gauge, which can lead to slow orders or train derailments. On Metrolink territories, around 2/3 of the Authority's approximately 1,000,000 ties are wood. Due to the existing age of the infrastructure, it is required to change out wood ties annually, through both maintenance and rehabilitation programs. Contract No. PO983-25 allows the Authority to procure wood ties and keep enough inventory to address maintenance and rehabilitation needs.

### **Discussion**

On February 26, 2025, staff issued an Invitation for Bids (IFB) to purchase railroad wood ties to be delivered to a specified list of inventory yard locations and any location along the Authority's Right of Way (ROW) to support the continued maintenance and rehabilitation of its right-of-way system. The solicitation was posted on the Authority's vendor portal and advertised in publications in the five member counties. Twenty-three prospective bidders downloaded the solicitation. One firm attended the pre-bid conference held on March 5, 2025.

A single bid was received on the due date of April 11, 2025, from Gemini Forest Products. A price analysis was performed to determine the reasonableness of the proposed price. After comparing the bid price to the independent cost estimate and taking into account current market prices, the bid price is determined to be fair and reasonable.

### **Budget Impact**

The amount for which contract authority is requested is included in the proposed operating budget for FY26. Funding for subsequent fiscal years will be requested through the annual budget process.

### **Next Steps**

Upon award by the Board, Contract No. PO983-25 for railroad wood ties will be executed with Gemini Forest Products in an amount not to exceed \$11,800,000 which includes a 3-year base term period and 2 one-year options. Purchase Orders will be issued on an as-needed basis.

Prepared by: Eduardo Tovar, Manager II, Inventory Control Materials Management

Sharon Williams, Senior Contract & Compliance Administrator

Approved by: Tom Schamber, Interim Chief Financial Officer