



ITEM ID: 2026-122-0

TRANSMITTAL DATE: February 20, 2026

MEETING DATE: February 27, 2026

TO: Board of Directors

FROM: Tom Schamber, Chief Financial Officer

SUBJECT: Adoption of Revised Finance Policy FIN 9.5 Third-Party Agreement (TPA) Project Administration

Issue

SCRRA manages multiple types of Third-party agreements with various requirements. The purpose of this Policy is to establish uniform practices for the establishment and administration of SCRRA's Third party agreement projects.

Recommendation

It is recommended that the Board approve revisions to Finance Policy FIN 9.5 Third-Party Agreement (TPA) Project Administration.

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 and maintaining fiscal sustainability. The revised TPA policy requires deposits for work ancillary to the annual budget. This eliminates diversion of budgeted funds to projects benefiting third parties.

Background

SCRRA currently manages various Third-party agreements, TPA agreements typically fund

projects outside of the annual Board approved budget. These projects fund activities such as project planning, design and construction services; flagging and inspection services; maintenance; special trains; and permit related requirements. The current policy does not clearly define deposit requirements leading to inconsistent deposit terms and insufficient cash to pay for expenses incurred.

Discussion

The proposed revision to FIN 9.5 Third-Party Agreement (TPA) Project Administration is a result of Internal Audit's finding that the Authority needs to strengthen management and oversight of Third-Party Agreements. This revision clarifies TPA categories and definitions, strengthens deposit requirements, and defines the respective responsibilities for the administration of these agreements.

Budget Impact

There is no budgetary impact as a result of this report.

Next Steps

This policy will go into effect upon approval by the Board.

Prepared by: Nancy Perez, Assistant Director, Finance

Approved by: Tom Schamber, Chief Financial Officer

Attachment(s)

[Attachment A - FIN-9.5 Recollectable Third-Party Agreement \(TPA\) Project Administration REDLINE](#)

[Attachment B - FIN-9.5 Recollectable Third-Party Agreement \(TPA\) Project Administration CLEAN](#)

[Presentation - Third Party Agreement Policy](#)