

Date: 5/12/2026

To: Muriel Friday, VP Rail Operations
Andrew Skabowski, EVP/COO
Kevin Conlan, EVP/CFO
Dottie Watkins, President/CEO

cc: Muhammad Abdullah, VP Procurement & Chief Contracting Officer
Anita Deibert, Manager, Acquisition & Contract Administration
Terry Dudley, Contracts Administrator III
Tyrone Jenkins, Director of Rail Operations

From: Enjouline Dougherty, Project Manager

Subject: Approval of - Commuter Rail Services – Maintenance of Way (MOW) and Signal Systems, Rio Grande Pacific, Contract

Description

An Approval is requested to finalize and execute a contract with Rio Grande Pacific Corporation for contracted Commuter Rail Maintenance of Way and Signal Systems services for a base period of five (5) years, plus two (2) two-year options, for a total contract amount not to exceed \$145,826,753

Executive Summary

In March of 2010, CapMetro began commuter rail service on the Red Line between Austin and Leander, TX with our current contractor providing dispatching (commuter and freight), operations, and maintenance on the Red Line. The current contract with Herzog Transit Services, Inc. expires in 2026.

CapMetro completed a competitive procurement process and recommends Rio Grande Pacific Corporation as the Contractor for maintenance of way and signal systems. Under this contract, the operation of CapMetro's Commuter Rail is responsible for providing track, signal, bridge, and communications for the commuter section of the railroad which includes freight only trackage and signal equipment located between the Abbott and Robinson control points. The Contractor is responsible for providing all non-revenue and support vehicle, equipment, parts, supplies, qualified personnel, administrative, and management services necessary to operate and maintain the commuter railroad. CapMetro's stated goal in this procurement was to identify a partner that will be aggressively focused on ensuring the best possible experience for our customers through safety and data-driven continuous improvement processes. If approved by the CapMetro Board, this contract would commence in calendar year 2027.

The Contractor agrees to use all reasonable efforts to:

- Adhere to financial performance and service quality objectives in the service contract.
- Provide superior customer service.
- Assure the finest public image for the transit system.
- Comply with all relevant Federal Regulation Administration regulations and administrative directives.
- Comply with all relevant Texas Department of Transportation regulations and administrative directives.
- Provide data, analysis, investigations, or support as required to all reporting requirements.
- Manage represented employees in accordance with the collective bargaining agreement.
- Abide by all ADA, FRA, and DOT guidance to appropriately provide Commuter Rail services to Americans with Disabilities.

Funding Availability and Budgeted Funds

A Request for Proposals was issued on October 21, 2025, and formally advertised. By the closing date of February 2, 2026, three proposals were received.

Technical evaluation factors were used to evaluate and score the proposals. Price was evaluated by a pricing team that was separate from the technical evaluation team. The pricing team also utilized Nancy Edmonson as a cost and price analyst to determine price fair and reasonableness. The proposal from Rio Grande Pacific Corporation was determined to be the best value to CapMetro, price and other factors considered.

The contract is a fixed price contract. The term of the Contract is a five (5) year base with two (2), two (2) year options. In total, there is potential for nine (9) contracted service years under this agreement with Rio Grande Pacific Corporation. The pricing offered is as follows. Service under this contract is anticipated to commence in 2027.

Total Pricing Base Period (Years 1-5)	\$ 76,530,688
Total Pricing Option Period 1 (Years 6-7)	\$ 33,033,070
Total Pricing Option Period 2 (Year 8-9)	\$ 36,262,995
GRAND TOTAL	\$145,826,753

Due to the magnitude of the dollar amount, I am submitting this recommendation for your approval. If you have any questions related to the scope or funding, please contact the project manager, Enjouline Dougherty.

APPROVALS:

MURIEL FRIDAY, VP RAIL OPERATIONS (Signature required)	
ANDREW SKABOWSKI, EVP/COO (Signature required)	
KEVIN CONLAN, EVP/CFO (\$1,000,000 and above)	
DOTTIE WATKINS, PRESIDENT/CEO (\$1,500,000 and above)	