AUSTIN TRANSIT PARTNERSHIP
BOARD OF DIRECTORS MEETING
AGENDA

Wednesday, July 15, 2026, 2:00 p.m.

ATP Board Room

203 Colorado St. Austin, TX 78701

ADA Compliance
Reasonable accommodations and equal access to communications are provided upon request. Please call 512-710-2100 or email chloe.maxwell@atptx.org if you need more information.

Board of Directors
Veronica *Castro de Barrera, Chair; Kirk Watson, Vice Chair; Jeffrey Travillion; Juan Garza; Kammy Horne; Jon Fortune (ex officio); Dottie Watkins (ex officio).*

Public Comment
Public comment may be completed in person or virtual. Those wishing to contribute comments must notify ATP 24-hours before the meeting by calling 512-710-2100 or emailing chloe.maxwell@atptx.org. Please provide your name, phone number and the topic you wish to discuss. On the day of the meeting, you will be contacted, added as an attendee of the board meeting, and have 3 minutes to speak. You will have only one opportunity at the beginning of the board meeting to speak on all items you intend to address.

Watch Live
ATP Board Meetings are streamed live from the ATP website.

Executive Session
The Board of Directors may adjourn to executive (closed) session as authorized under Texas Government Code Chapter 551 at any time during the course of this meeting to discuss any item on the meeting agenda. No formal action will be taken by the Board during an executive session.

Pages

1. Public Comment

2. Executive Director Report

3. Action Items

3.1 Action Item 1 3
Approval of minutes from the June 17, 2026 ATP Board Meeting.

3.2 Action Item 2 5
Approval of a resolution authorizing the Executive Director or their designee to award, negotiate, and execute a fixed price contract with Stadler US, Inc. for design services, manufacture, testing, and delivery of light rail vehicles for Austin Light Rail, and authorizing initial contract funding of $39,000,000 for preliminary design work only, with funding for additional work under the contract subject to future authorization by the Austin Transit Partnership Board of Directors.

4. Discussion Items

4.1 Proposed Fiscal Year 2026-27 Budget Presentation.

5. Items from Internal Audit

5.1 Annual Audit Recommendations Follow-Up.

5.2 Presentation on Contract Reimbursement Audit. 9

6. Adjournment

AUSTIN TRANSIT PARTNERSHIP
BOARD OF DIRECTORS MEETING

Austin Transit Partnership Board Room
203 Colorado St. Austin, TX 78701

~ Minutes ~

Board Secretary
Lee Crawford

Wednesday, June 17, 2026
2:00 PM

2:02 PM Meeting Called to Order
5:48 PM Meeting Adjourned

1. Public Comment

Mr. Carlos Leon and Mr. Edwin Bautista shared comments at this meeting.

2. Executive Director Report

Executive Director Greg Canally provided an overview of the upcoming Fiscal Year 2026-27 budget process, recent community engagement activities, and ongoing Project coordination efforts. He highlighted national interest in ATP's procurement approach, participation in local outreach events, and the recent launch of CapMetro's Expo Center MetroRapid service. He also noted continued collaboration with CapMetro and the City of Austin in advancing Project investments and related initiatives.

3. Action Items

1. Approval of minutes from the April 15, 2026 ATP Board Meeting.

   RESULT: ADOPTED [WITHOUT OBJECTION]
   MOVED BY: Travillion
   SECONDED BY: Garza
   AYES: Horne, Castro de Barrera, Travillion, Garza, Watson
   ABSENT:

2. Approval of a resolution authorizing the Executive Director or their designee to negotiate and execute an interlocal agreement with the City of Austin defining the parties' roles and responsibilities and establishing other terms and conditions related to the design of Austin Light Rail.

   RESULT: ADOPTED [WITHOUT OBJECTION]
   MOVED BY: Garza

SECONED BY: Travillion
AYES: Horne, Castro de Barrera, Travillion, Garza, Watson
ABSENT:

4. Discussion Item

Update on Austin Light Rail Phase 1 Implementation: Design and Preconstruction Progress and Delivery Readiness.

The ATP Team and its contracting partners provided an update on Austin Light Rail to include design and preconstruction progress.

5. Executive Session

The Board entered executive session at 3:45 PM and ended at 5:47 PM.

6. Adjournment

The meeting was adjourned at 5:48 PM.

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BOARD OF DIRECTORS: *Veronica Castro de Barrera, Chair; Kirk Watson, Vice Chair; Jeff Travillion; Juan Garza; Kammy Horne; Jon Fortune (ex officio); Dottie Watkins (ex officio).*

Subject: Approval of a resolution authorizing the Executive Director or their designee to award, negotiate, and execute a fixed price contract with Stadler US, Inc. for design services, manufacture, testing, and delivery of light rail vehicles for Austin Light Rail, and authorizing initial contract funding of $39,000,000 for preliminary design work only, with funding for additional work under the contract subject to future authorization by the Austin Transit Partnership Board of Directors.

Fiscal Impact: Funding in the amount of $250,000 is available in the Fiscal Year 2025-26 Light Rail Capital Fund for costs expected under this contract for the remainder of the current fiscal year. Funding beyond the current fiscal year is contingent upon available funding in future budgets.

Executive Summary: This action authorizes Austin Transit Partnership ("ATP") staff to execute a fixed price contract with Stadler US, Inc. for design coordination, design, manufacturing, testing, and delivery of 21 light rail vehicles, and approves initial funding of $39,000,000 for only preliminary design work under that contract. Additional work beyond the initial $39,000,000 funding is expressly subject to future authorization by ATP's Board of Directors and in no case will the total cost of the base order contract for 21 vehicles exceed $352,800,000.

ATP staff recommends (i) the award of this contract to Stadler US, Inc. based on the results of an extensive procurement process conducted in accordance with state and federal law, (ii) approval to proceed only with preliminary design work under that contract, and (iii) authorization of funding for such preliminary design work under the contract in an amount not to exceed $39,000,000.

This contract procurement began in 2024 and has included a multi-step process that engaged industry as well as City of Austin and Capital Metropolitan Transportation Authority partners early and resulted in the issuance of a request for proposal in October 2025 for a fixed price contract. ATP received four proposals, selected the best value proposer, and negotiated the overall contract price and terms. The proposed contract allows ATP to lock in a total fixed cost for the base order of 21 vehicles without committing expenditure of ATP funds beyond the initial $39,000,000 for preliminary design work. This approach preserves project readiness and cost certainty by reducing the risk of vehicle pricing fluctuations. The approach also avoids the risk of stranded costs.

This contracting approach also supports coordination and efficiency between the vehicle manufacturer and ATP's design-build partners for the rail infrastructure system ("LRT") and the operations and maintenance facility ("OMF"), thus allowing the design work of these other contractors to align with vehicle design under this contract.

In the preliminary design phase of this contract, this coordination with ATP's other design-build partners is expected to include:

- Supplying vehicle specifications to the LRT and OMF contractors to advance design to minimize interface/ integration risks such as:
    - Track geometry (e.g., maximum slope, minimum curve, etc.)
    - static and dynamic clearance envelopes
    - power requirements
    - train control integration with traffic signals
    - station platform level boarding requirements
- Advancing vehicle design to support systems integration (onboard and wayside technology and equipment)
- Allowing for early input into vehicle design for operator needs, passenger accessibility, etc.

Future funding authorizations for the base order contract will address costs related to the completion of vehicle design, manufacturing, testing, and vehicle delivery.

The contract also includes potential future options not included in the base order cost which ATP may exercise for: (i) purchase of up to 19 additional light rail vehicles to support future growth; and (ii) purchase of technical support and spares supply services to support operations. Exercise of either of these options is subject to future ATP Board approval.

Austin Transit Partnership

RESOLUTION OF THE AUSTIN TRANSIT PARTNERSHIP BOARD OF DIRECTORS

STATE OF TEXAS
COUNTY OF TRAVIS

ATP-2026-015

WHEREAS, on October 23, 2025, Austin Transit Partnership ("ATP") issued a request for proposals for design services, manufacture, assembly, and delivery of light rail vehicles ("LRVs") for Austin Light Rail, and received proposals from four qualified proposers; and

WHEREAS, ATP evaluated and scored the technical proposals, determined that each of the four proposers were within the competitive range, conducted interviews with each of the proposers, and evaluated and scored their cost proposals; and

WHEREAS, following such evaluations, ATP selected Stadler US, Inc. as the best value proposer on May 6, 2026; and

WHEREAS, ATP recommends award of the contract for the provision of design services, manufacture, assembly, and delivery of LRVs, including options for ATP to purchase additional LRVs and technical support and spares supply services, to Stadler US, Inc.; and

WHEREAS, ATP seeks to preserve project readiness, cost certainty, and avoid the risk of stranded costs; and

WHEREAS, ATP staff has recommended that Stadler US, Inc. commence the design coordination work under the base order portion of that contract;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors approves the commencement of the preliminary design work phase under the Contract described herein, and authorizes funding only for such preliminary design work in an amount not to exceed $39,000,000.

BE IT FURTHER RESOLVED by the Board of Directors that the Executive Director or their designee is hereby authorized to award, negotiate, and execute a fixed price contract with Stadler US, Inc. for design coordination services, design, manufacture, assembly, and delivery of light rail vehicles for Austin Light Rail, including options for future purchase of additional LRVs and technical support and spares supply services (the "Contract") in a total amount not to exceed $352,800,000 for the base order of 21 vehicles, with authorization for funding of the Contract as provided in this Resolution.

Austin Transit Partnership

BE IT FURTHER RESOLVED that the Executive Director shall include provisions in the Contract requiring approval by ATP and funding authorization by the Board of Directors before proceeding with any future phases of work under the Contract beyond the preliminary design work phase, and before exercising options for additional vehicles or services as provided in the Contract, with no obligation to proceed.

BE IT FURTHER RESOLVED that additional funding of the Contract beyond the amount authorized in this Resolution shall require approval by the Board of Directors.

BE IT FURTHER RESOLVED that the Executive Director, or their designee, is authorized to take any other actions that may be required to effectuate and enforce the terms and conditions of the Contract consistent with this Resolution.

_____ _____

Lee Crawford
Secretary of the Board

Date

Austin Transit Partnership

Contract Reimbursements Audit Summary

July 2026

Background

Recipients of federal funds have a responsibility to comply with statutory and regulatory requirements regarding the use of grant awards. The Federal Transit Administration (FTA) provides spending guidance[i] and outlines its oversight expectations to recipients, and potential future recipients of federal grant funds, to assist in the management of federal grants. Federal guidance also includes expectations relating to third-party contracting activities and payment under such contracts.

ATP has entered into several contracts to procure professional services from third-party contractors to further Austin Light Rail and intends to request federal reimbursement for the contracted services depicted on page 2. The majority of the costs incurred in accordance with these contracts relate to direct labor costs which were not reviewed in this engagement. This audit focused on other direct cost charges, primarily for travel and relocation assistance, which represent a relatively small portion of total expenditures invoiced under these contracts.

Objective: Are payments for other direct cost reimbursements aligned with federal guidance, supported by evidence, approved by ATP staff, and consistently applied?

Scope: ATP's invoice review process relating to other direct costs, with a primary focus on payments eligible to receive federal reimbursement.

Results

ATP's invoice review process for the contracts audited in this engagement generally requires staff in the contracting department to monitor completion of the contract's scope of work and to validate direct labor amounts included in invoices, while the Procurement department reviews invoices more holistically, including the other direct costs that were the subject of this audit. Although we identified the areas for improvement outlined below, we generally found that other direct costs charged to ATP by third-party contractors are reviewed through a thorough process to ensure such amounts are accurate, properly authorized, and supported by appropriate documentation before payment is approved. Critically, this invoice review requires coordination across the organization to advance ATP's mission and ensure public resources are properly monitored and safeguarded.

We also found that contract language generally aligns with federal requirements and supports ATP review of amounts invoiced by third-party contractors. When ATP staff have identified gaps in third-party contractor invoicing and what the contract language specifically requires, they have documented clarifications regarding reimbursement decisions in "Finding and Determination" memorandums and less formal records, such as emails. This additional documentation provides insight into how ATP oversees the expenditure of public funds and demonstrates ATP's commitment to meeting federal requirements.

We issued four recommendations in this audit and management agreed to implement corrective actions by **July 2027**. The recommendations for improvement noted in this audit were:

- Develop formal operating procedures to guide the invoice review process and ensure there is a routine quality control review of reimbursement files and supporting documentation.
- Enhance guidance provided to third-party contractors on ATP's invoicing expectations.
- Design and implement a relocation agreement with third-party contractors and require relocating contractors to submit a relocation request form before incurring relocation costs.
- Design and implement a periodic review of travel reimbursements paid by per diem.

Austin Transit Partnership Internal Audit Team
Katie Houston, Chief Audit Executive
Cameron Lagrone, Senior Auditor

DRAFT

ATP CONTRACTS ELIGIBLE TO RECEIVE FEDERAL REIMBURSEMENT

Contract Description	Vendor Name	Oracle End Date	Board Authorized Not to Exceed	Authorized Purchase Order Amount as of 6/1/26	Spending to Date as of 6/1/26
Delivery Partner	AECOM	12/31/28	$98,500,000	$46,353,851	$21,830,297
Civils, Rail, Stations, & Systems Progressive Design Build (PDB)	Austin Rail Constructors (ARC) Joint Venture	12/31/33[1]	$60,000,000	$54,846,389	$3,465,132
On Call Preliminary Engineering Services	HNTB	6/12/26	$45,000,000[2]	$5,837,887	$5,837,887
Operations & Maintenance Facility PDB	Kiewit Austin Partnership (KAP) Joint Venture	12/31/33	$25,000,000	$20,992,472	$0
Real Estate Acquisition & Relocation Services	Stateside Right of Way	12/20/27	$6,100,000	$2,361,944	$501,502

[1] No end date listed in Oracle, but contract states the expiration for Phase 2 is 12/31/2033.

[2] Not to exceed limit applied to both HNTB On-Call Preliminary Engineering Services and On-Call Advanced Utility Engineering Services.

[i] Relevant guidance includes: FTA Circular 4220.IG – Third-Party Contracting Guidance, 2 CFR Part 200— "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (commonly referred to as the *Uniform Guidance*), 49 CFR Part 225 – Cost Principles for State, Local, and Indian Tribal Governments, and 49 CFR Part 225, OMB Circular A-87 – Cost Principles

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