Meetings of
BOARDS OF DIRECTORS

Joint Boards of Directors

Valley Metro RPTA

Valley Metro Rail

Date:
June 18, 2026

Starting Time:
11:15 a.m.

Meetings to occur sequentially
Location:
Valley Metro
Boardroom/Webex
101 N. 1st Avenue, 10th Floor

If you require assistance accessing the meetings on the 10th floor, please go to the 14th floor or call 602.262.7433.

Agenda

June 11, 2026

Meeting Agenda
Valley Metro RPTA Board of Directors
And
Valley Metro Valley Metro Rail Board of Directors
Thursday, June 18, 2026
Valley Metro, 101 N. 1st Avenue, 10th Floor
Boardroom/You Tube
11:15 a.m.

	Action Recommended
1. Public Comment	1. For Information

The public will be provided with an opportunity at this time to address the committees on **non-agenda items and all action agenda items for the Joint, RPTA and VMR meeting agendas.** Up to three minutes will be provided per speaker unless the Chair allows more at their discretion. A total of 15 minutes for all speakers will be provided.

2. Chief Executive Officer's Report	2. For information

Jessica Mefford-Miller, CEO, will brief the Joint Boards on current issues.

3. Audit and Finance Subcommittee Update	3. For information

Councilmember White, AFS Chair, will provide an update on the discussions and actions taken at the April AFS meeting.

CONSENT AGENDA

4A. Minutes	4A. For action

Minutes from the May 21, 2026 Joint Board meeting are presented for approval.

4B. [Fiscal Year 2027 Intergovernmental Agreements (IGA)] 4B. For action

Authorization for the Chief Executive Officer to execute the FY27 IGAs and IGA amendments as listed and for the periods of performance.

4C. [Advertising Sales Services Contract Award] 4C. For action

Authorization for the Chief Executive Officer to enter into a contract with Lamar Transit, LLC, for Advertising Sales with a five-year initial term with options to extend up to the maximum term of 10 years.

4D. [Pest Control Services Contract Award] 4D. For action

Authorization for the Chief Executive Officer to enter into a cooperative contract with City Wide Pest Control Inc, for pest control services to begin on or about June 30, 2026, and expire on October 31, 2028, with no options to extend. The aggregate value of the contract will not exceed $96,538.

4E. [Investment Management Services Contract Amendment] 4E. For action

Authorization for the Chief Executive Officer to execute a contract amendment with U.S. Bancorp Asset Management, Inc., to extend the contract through June 30, 2028, and increase the aggregate value of the contract not to exceed $510,450.

4F. [FY27 Information Technology Professional Services Re-authorization] 4F. For action

Authorization for the Chief Executive Officer to procure necessary information technology professional services in an amount not to exceed $839,300 for the period of July 1, 2026, through June 30, 2027.

REGULAR AGENDA

5. FY27 Information Technology Hardware and Maintenance Re-authorization	5. For action

Authorization for the Chief Executive Officer to continue procuring necessary information technology hardware and maintenance agreements in an amount not to exceed $1,482,096 for the period of July 1, 2026, through June 30, 2027.

6. FY27 Annual and Multi-Year Software Subscription and Maintenance Purchases Re-authorization	6. For action

Authorization for the Chief Executive Officer to procure necessary software subscriptions and maintenance agreements in an amount not to exceed $4,889,040 for the period of July 1, 2026, through June 30, 2029.

7. Operations Cleaning Services Contract Award	7. For action

Authorization for the Chief Executive Officer to enter into a three-year contract with two one-year options to extend, with a primary award to ABM Industries Group, LLC, and a secondary award to Dexterra Services, LLC, for operations cleaning services, with an aggregate value of $22,813,123.

8. Executive Session	8. For action

The Joint Boards may vote to enter Executive Session to discuss: (1) the Joint Board Subcommittee annual evaluation of Valley Metro's Chief Executive Officer and (2) the organizational chart for the agency, as authorized by A,R.S. Sections 38-431.03(A)(1) and (3).

9. Executive Session Action Item — 9. For action

The Joint Boards of Directors may vote to accept the recommendation of the Joint Board Subcommittee regarding the performance evaluation of the Chief Executive Officer.

10. Travel and Expenditures — 10. For information

The monthly travel and expenditures for Valley Metro RPTA and Valley Metro Rail are presented for information.

11. Report on Current Events and Suggested Future Agenda Items — 11. For information

Chair Adams will provide members the opportunity to report on current events and suggest future agenda items for consideration.

12. Next Meeting — 12. For information

The next meeting of the Joint Boards is scheduled for **Thursday, August 27, 2026 at 11:15 a.m.**

Qualified sign language interpreters are available with 72 hours notice. Materials in alternative formats are available upon request. For further information, please call Valley Metro at 602-262-7433. The supporting information for this agenda and the You Tube streaming link can be found on our web site at www.valleymetro.org.

Executive Summary

DATE
June 11, 2026

AGENDA ITEM 1

SUBJECT
Public Comment

PURPOSE
The public will be provided with an opportunity at this time to address the committees on **non-agenda items and all action agenda items for the Joint, RPTA and VMR meeting agendas.** Up to three minutes will be provided per speaker unless the Chair allows more at their discretion. A total of 15 minutes for all speakers will be provided.

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

CONTACT
Jessica Mefford-Miller
jmeffordmiller@valleymetro.org

ATTACHMENT
None

Executive Summary

DATE
June 11, 2026

AGENDA ITEM 2

SUBJECT
Chief Executive Officer's Report

COST AND BUDGET
There are no costs associated with this item.

RECOMMENDATION
This item is presented for information only.

CONTACT
Jessica Mefford-Miller
Chief Executive Officer
jmeffordmiller@valleymetro.org

ATTACHMENT
None

Executive Summary

DATE
June 11, 2026

AGENDA ITEM 3

SUBJECT
Audit and Finance Subcommittee Update

PURPOSE
Councilmember White, AFS Chair, will provide an update on the actions from the June 4, 2026 meeting.

COST AND BUDGET
None

COMMITTEE PROCESS
None

RECOMMENDATION
This item is presented for information only.

CONTACT
Jessica Mefford-Miller
Chief Executive Officer
jmeffordmiller@valleymetro.org

ATTACHMENT
None.

Meeting Minutes

June 11, 2026 **AGENDA ITEM 4A**

Joint Boards of Directors
Thursday, May 21, 2026
Valley Metro
101 N. 1st Avenue,
10th Floor Boardroom/YouTube
11:15 a.m.

RPTA Meeting Participants
Councilmember Jennifer Adams, City of Tempe – **Chair**
Councilmember Max White, City of Avondale **– Vice Chair**
Councilmember O.D. Harris, City of Chandler
Councilmember Monica Dorcey, City of El Mirage
Councilmember Peggy McMahon, Town of Fountain Hills
Councilmember Kenny Buckland, Town of Gilbert
Councilmember Lauren Tolmachoff, City of Glendale
Councilmember Wally Campbell, City of Goodyear
Supervisor Steve Gallardo, Maricopa County
Councilmember Francisco Heredia, City of Mesa
Councilmember Jon Edwards, City of Peoria
Councilmember Ann O'Brien, City of Phoenix
Councilmember Maryann McAllen, City of Scottsdale
Councilmember Earle Greenberg, City of Surprise
Vice Mayor Jimmy Davis, City of Tolleson
Mayor BG Bratcher, Town of Wickenburg
Mayor Michael LeVault, Town of Youngtown

Members Not Present
Councilmember Jamine Berry, City of Buckeye
Councilmember Jeff Brown, Town of Queen Creek

Valley Metro Rail Participants
Councilmember Jennifer Adams, City of Tempe – **Vice Chair**
Councilmember Francisco Heredia, City of Mesa
Councilmember Ann O'Brien, City of Phoenix

Chair Adams called the meeting to order at 11:20 a.m.

1. Public Comment

Chair Adams said the public will be provided and -- with an opportunity at this time to address the committees on non-agenda items and all action agenda items for the Joint RPTA meeting

agendas. Up to 3 minutes will be provided per speaker unless the Chair allows more at their discretion. A total of 15 minutes for all speakers will be provided.
Ms. Dillon said Marcus Stillwell?

Mr. Stillwell said thank you directors. I just wanted to thank the board of directors for the work accelerating the South central extension. I know today was either the one year anniversary or the celebration thereof, of that extension as well as the work to expand the streetcar in Tempe. I know there's work, going on with that.

But I came here today to speak to advocate for more shade at bus stops and other transit hubs. I'm a transit user and I, appreciate all the work that you do, but sometimes having to, you know. Hide behind a wall or a tree and crouch down just to find some shade feels a little undignified at times and, just expanding the opportunity for riders to be able to wait in the shade would be greatly appreciated. Thank you very much. Thank you so much. I agree with you.

Ms. Dillon said Noah-James Markham.

Mr. Markham said Hello, Valley Metro Board. My name is Noah James Markham and I come from the beautiful city of, Tempe. I want to make sure that we keep the rails coming to the East Valley. And I want to talk about the new ones. Those are the good ones. We should have those in the east Valley for people to use. Also, we need to make sure they're sanitized every time the whole route is done because it's just I'm a freak of that and that needs to be sanitized.

Also, I'm not a transactional person either. I am a person with a disability and the last time I had somebody on this Valley Metro board give me his card to tell him, you know, maybe I should complain this way to him about, right choice in paratransit.

And I just felt very disrespected when you give me a card like that and think I'm a transactional person as a person with the disability. I think we should understand that, you know, there are people that are angry in every kind of ability, not just people with disabilities. But we need to make sure that people on the phones are very polite to people with disabilities especially for right choice. This is, you know, we already get treated very horribly in this world especially with this president in office. Also I would like to talk about that we need to make sure that we have Waymo, and hopefully later we will switch to Lucid's self-driving cars in the East Valley and please extend the light rail coming to Mesa Gilbert Chandler Queen Creek Santa Valley and Panel County and maybe even Melrose. The gayest place to happen.

And then I had this weird thing because I wasn't on the rail at the time but you know this person approached me on the rail of security and I just felt very weird. I mean, she asked me, you know, you gotta keep your shirt on before you when you're outside, you know, I, I just felt like that was just inappropriate and just kind of.

And then also we need to compete with China and yes, Donna is not doing that. So Mahalo and thank you so much for listening to me this morning, thanks.

Chair Adams said thank you, Noah, do we have another speaker?
Ms. Dillon said yes, ma'am. Jared Kluge?

Mr. Kluge said hello. So, some of the main concerns that I have as another person on disability or who is disabled, especially on the auditorial side is, it feels. I lost my train of thought. I'm sorry. I'll just start with, can we please actually invest in mister systems in the light rail stations? I think that would be very helpful with getting some more cooling down systems.

Along the lines of that, and again more shade infrastructure, more canopies, more trees, more shade from the sun and as many as many as many stations as possible, building bigger shelters for as many bus stations as possible, but also extending the routes that can allow inner-city travel. Like there's so many amazing people here from many different cities around the valley Queen Creek, Evandale, Glendale everywhere. I would love it if I could take the trains or the buses to get to any of the other cities in the valley. Especially the new replacements. And one of my colleagues, I work in the regional thought Chander Regional Medical Center, and one of my colleagues actually asked me who lives in Queen Creek to get some more buses out there so he doesn't have to drive anymore. I would also like to ask if there could be an evaluation on the eastern side of Price and Apache that off ramp is really dangerous in the way it makes you swerve. And I would also like to ask if we can get buses and bikes out of traffic so that they don't interlock, have as many of the bus lines on these BR, as many of the buses on the main. To become BRTs as well as running later in the night because sometimes they get off work at 10:00 and there's nothing to take me home. And would also be lovely if we can have some more racks on the front of the buses to have more bike capacity and.

It would also be very nice if we could see if we could get the bike lanes to not be in the middle of the street. So like if you're trying to make a right turn, I would like it not have to worry about cars going over the bike lane, hitting me to make a right turn if we can have the bus, the forgive me, the bike lanes if they could not be required to drive over them to make a right turn, that is, that would make a massive safety improvement for someone like me on a bicycle. As well as trying to if we can encourage more no right on red at major intersections to help with safety for people on bikes and walking on foot. But I also think that along these major thorough affairs and the bigger streets are usually busier, if not only we can get separate BRT, but can we also get bicycle highways?

That can also take you across a valley. Yes, there's the canal path, but I think it should be paved all the way all along the entire length of the path. It could have a really awesome bike highway. That takes you all the way from one end to the other. That can also take you to different hubs, and I would also love to see if we can have some sort of like an art competition for decorating the building for the central hub district cause it feels very sterile. It does not feel very inviting at all, there's NO seating at the main hub in downtown phoenix. There's NO seating, there's NO enough.

It feels very sterile, it doesn't feel welcoming. I wish there could be more going down over there but honestly just more public art competitions in general, like even the Mill Avenue, the new Mill Avenue sign, what the H is that? Can we just have a public competition for things like that instead for the community? That'd be great. I'm over time. Yeah, thank you so much.

Chair Adams said thank you for your comments. Thank you. All right.

Ms. Dillon said next we have Errin Khav.

Mr. Khav said alright, I have a document here from the Fair System procurement. And I don't know. I know you guys probably can't see it, but it's on, it is public information. I'm a little bothered by the fact that mobile ticketing virtual cards, which is the tap to pay copper cards in your mobile wallet, is struck through. And, same with the open payments feature, it's struck through as in we decided not to go about having these, that bothers me because we spent a hundred and $95000 on plastic to help people position their phones for the QR code. The QR code system.

Is not working. I've witnessed so many people get waived on the bus, the ridership is not counted and the fair revenue is not there because the drivers are sick of it and even in the bus network redesigned phase one documents that just came out, it even says the operators are sick of the QR codes and frankly so is everyone else.

What I have here to enable the virtual cards in apple wallet, which is kind of like the, the clipper card here for San Francisco, which I ride about every week. This is how we should have our copper card. And with this, it would have only been $70594 as a proposal from VIX technology. For the open payment feature, it was 150000, and it was also struck through. I want someone to get back to me about why these items were struck through when these would already have grown.

Greatly improved the writer experience, it would have already technically marketed Valley Metro because with that in Apple wallet, the minute your plane lands at the airport, everyone gets a notification that says, welcome to Phoenix, use add a copper card to your Apple wallet to ride public transit, and then now that person who was gonna pull up.

Their phone to call Uber. We'll see, oh, I'll ride the bus, I'll ride the train. It's right there. And it's automatic. You don't even have to pay for that feature because Apple includes it. But to have it struck through, I don't know what happened here and it's such a minute line item to strike through compared to, you know, like, a million dollars for a bill acceptor for the cash payments, which I get we need, but 70000 for the virtual cards was struck through. The open payments was struck through.

And this is from the Vix contract that's on the city Phoenix public record and I haven't seen any movement on trying to get the open payments working. Oh, that is all.

Chair Adams said could we have someone follow up with him on his, his questions?
Ms. Mefford-Miller said yes, thank you Madam chair. We have staff on the way actually. And we will share it with the board because I've gotten a lot of feedback this in the last week about pro people are having problems. So I think it would be valuable for the board to know. Thank you.

Madam Chair we will prepare a memo to the board with current status and then future directions for our fair collection program, which do include open payment.

Written Comment Received

Alicia F. Tocco - I am commenting as a resident and stakeholder in the Alhambra community. I request that my comments be officially entered into the public record for two concurrent city initiatives: the advance planning phase of the West Phoenix Light Rail Expansion (Indian School route) and the drafting of the Phoenix Community Safety Plans

While I support infrastructure investment in West Phoenix, introducing a multi-billion dollar transit project into the Indian School corridor—without legally binding safety mitigation—presents a threat to my home, neighborhood, and the children living in this corridor.

This specific corridor is currently negatively impacted by a concentration of violent crime, predatory retail such as Series 6, 9, and 10 bars and liquor stores, a density of registered sex offenders and lack of any deterrent actions. These combined factors result in a high-risk saturation zone for children who have to navigate these streets every day to and from school as well as vulnerable populations traveling to and from work. This saturation zone has created a disproportionate and adverse human health and safety effect on a low-income or minority community, living in the area, who depend on public transportation.

I request that Valley Metro and the City of Phoenix utilize this transit expansion to actively mitigate this threat and protect our community, specifically by:

- Prioritizing the acquisition and demolition of chronic nuisance properties (extended-stay motels, problem commercial lots) for transit right-of-ways.
- Implementing extreme CPTED station designs with actively monitored surveillance tied directly to the Mountain View Precinct.
- Enforcing a proactive displacement strategy that strictly prohibits relocating displaced high-risk populations into existing Community Safety Plan corridors (specifically excluding zip codes 85015, 85017, 85021, and 85029).

Please confirm receipt of this letter and its formal entry into the official public record for the Locally Preferred Alternative (LPA) scoping. I also request timely notification of the dates and times for the upcoming Valley Metro community information sessions regarding the Indian School route.

Connor Kristiansen: I am submitting public comment for the May 21 Board Meeting regarding safety and emergency preparedness on Valley Metro Rail light rail trains.

I am an EMT, and on October 28th, 2025, I encountered a situation on board involving a passenger with a heavily, actively bleeding finger laceration. During this incident, security personnel were present and willing to assist but did not have access to any first aid supplies, including basic bleeding control materials.

While EMS was eventually contacted by myself, early intervention was significantly delayed due to multiple factors, and the opportunity for immediate bleeding control was missed. Once the situation escalated, the ability to provide effective on-scene care was further limited.

This highlights a gap between staff training and available equipment. In time-critical emergencies, particularly in confined transit environments, early intervention can be the determining factor in patient outcomes.

AEDs and Stop the Bleed kits are designed for use by both trained staff and members of the public, and they provide essential intervention capability prior to EMS arrival.

I respectfully recommend consideration of a pilot program to equip select trains with operator-secured AEDs and bleeding control kits as a first step toward system-wide evaluation.

Thank you for your time and consideration.

I'm a resident of downtown Phoenix, a transit rider, and JD candidate at ASU Law.

Nicole Sanderon: I'm writing to express that Valley Metro light rail should have signal priority its entire route.

Also, light rail should never have more than a single car lane on either side of it. The South Central extension and area in downtown Mesa showcase how much more usable and pedestrian friendly the light rail is in this setting.

Also, the light rail gets hit with cars too frequently. The city of Phoenix paid consultants in 2010 to find out why. The report listed 15 actions the city could take to reduce light rail impacted crashes. The city implemented the first and second suggestions and crashes decreased significantly. But the rest of the list was abandoned and crash rates have crept back up steadily since then.

Phoenix and VM should work together to implement the rest of the suggestions in the report, improving design and signage, until both parties have mastered this issue. That success should be considered before more light rail is designed.

Finally, consider tap to pay since the QR code system is obviously not working.

2. Chief Executive Officer’s Report

Chair Adams said okay. Thank you. Number two, Chief Executive Officers Report. Jessica.

Ms. Mefford-Miller said good morning Madam Chair members of the board. Welcome council member O’Brian on behalf of the Valley Metro team. We are delighted to have you serve on our board. We look forward to your leadership. Thank you for taking the time to take the photos for the South Central extension this morning. Yesterday, I should note was our four-year anniversary of Streetcar in Tempe. Hard to believe we have been at it for four years with strong growth since.

This morning I want to provide you with a brief update from our accessible transportation services team. We're moving through quite a bit of transition in our accessible transportation services program. That includes our pair of transit service as well as our ride choice program. The graphic on the left depicts the ecosystem of our accessible transit program.

Today I'm going to talk about our broker. That's the orange on the bottom right, and next month we'll be here talking about our pair of transit operations and maintenance contract. With respect to our broker on May one we launched a new system upgrade for our ADA RideChoice customers called Valley Metro Connect. That's the logo on the right powered by Rideco. Rideco is the underlying software platform. And what we are doing with this transition, it's more than an app or a tool. We have worked with our, our broker and with just MJM and Rideco to consolidate multiple call centers into one local call center, providing a single phone number for customers to connect for all of value Metro services.

That includes fare and One number. We also have reservationists who are prepared to support our customers or their family members or caregivers in booking us from a single location paratransit and ride choice. It also includes improved scheduling capabilities. This is especially important for both Para and ride choice, where we can dynamically dispatch, connect a rider to a vehicle based on where that rider and vehicle are in real time, inclusive of traffic conditions. Overall, the goal there, and we're already seeing results, is reducing our customer wait time. That's especially important if you are that para or RideChoice customer and you're waiting for that ride back from a dialysis appointment, e.g., and you want to get home. This also includes phasing in the ability beginning this coming Monday for customer to choose to call a reservationist or use the RideChoice app to book rides. So this gives more freedom of choice rides for the customer. Starting Monday customers will be able to book RideChoice using Uber or Lyft. That's not a functionality that's on the app today. We've had to work on the software to make it ready so that we are not offering customers premium services if you're familiar with Uber and Lyft. They have premium services like Uber Black, so that's not available. So rollout is Monday. So in addition to the improved customer experience reduced wait time, we hope to achieve greater operational efficiencies including more passengers per revenue hour of service.

Now the rollout hasn't all been painless, so since May one, we have had temporary increases in call wait time. We're handling a higher number of call volumes and the calls themselves are taking longer. In advance of the transition, we did work with MJM, our call center to increase the personnel in the call center by 40%, in advance of launch, we added support from our regional customer service assistant. That's Valley Metro's in-house customer service team. And we're working now to segment those calls so you can indicate if you just want basic information like how to how to download the app, we can provide that at Valley Metro customer service call center.

If you want to book a trip, you're going to have to go with MJM call center. We've also had enhanced outreach to our customers to help them through this transition. That includes helping customers or their caregivers download the app. They're also having to update their credit card information. So in the last three weeks since launch, we've gone from daily calls of 5,404 on May 1st to a daily call volume of 2,012 on May 15th. Our average wait time May 1st was 23 minutes. On May 15th it was 7.5 minutes. Our average talk time reduced from 8 minutes to five and a half minutes because we're doing more reservations now and less just transitioning and explaining. And our paratransit on time performance, this has been a very short amount of time, but the on time performance has improved from 82% to 88% since May 1st, so remarkable improvement.

We are monitoring very closely, working with all of our contract partners in in house staff. This is a very important customer group. Reducing wait time, including perf improving performance and productivity and then the name of financial stability are our goals. So we are working to rapidly adapt and make changes on the fly as needed. Next month we will be back to the board and we're moving through a series of meetings with your city staffs right now on the MTM operations and maintenance contracts, so big time, big changes for accessible transportation.

Mr. Klug mentioned public art contests, we have such a public art contest every year. Our designed to transit wrap contest is for high school students who submit original artwork for consideration. This year we had a hundred and 65 unique entries. The winner receives a small scholarship from Valley metro, but most notably.

Their artwork is featured on both the bus and a train for the entire year. This year's winner, I know you might not be able to see it well, and it's on a poster in the back left of the room to my right. Our winner was Ruqayyah Gumpal. Ruqayyah is currently a senior at Paragon Science Academy in Chandler. We were joined for our unveiling by Chair Adams and council member Harris. What a wonderful day. Ruqayyah’s artwork really demonstrates moving on the left from a period of environmental instability to making a choice to use transit in the name of environmental sustainability. So we thank Ruqayyah for her submittal, and she actually was acknowledged at the council meeting too.

At the request of Congresswoman Ansari, while she was in district, we toured her around the public transportation system and she wanted to showcase our growing transit system, also give a visit in advance of the South Central one year anniversary. We had the opportunity to share the community resource hub in downtown Phoenix with the Congresswoman.

That is a partnership between the city of Phoenix, downtown partnership and Valley Metro, where we have staff and resources, including the downtown ambassadors, Valley Metro Customer Service, Valley Metro customer experience representatives who deploy on the light rail system. This is their hub. They work together and soon with the support of a $1 million.

Other congressionally directed funding awarded with Congresswomen and Sari support, we will be rolling out behavioral health services across the light rail system. This pilot program will add a layer of service to our current information and enforcement programs that is much needed across the system. We are going to continue to provide the board with updates and, and information on this. We've been pursuing funding for a couple of years for this needed service and I am delighted to be able to roll it out. On the tour, we also oh like we also toward the B line and rolled all the way to Central and baseline where City of Phoenix had the opportunity to showcase one of their new battery electric buses. We also stopped at one of our beloved local businesses at the Kazo, where owners Angelica Riddle and Crystal hosted us. The tacos are fantastic.

We are grateful for the congress woman on her advocacy. We also have a current application that's moving through with the congress woman's support, for congressionally directed funding to upgrade and expand our CCTV system.

It is heat relief season across the Valley. I just want to bring attention to the partnerships that Valley Metro has and the services that we offer to support our riders, our neighbors, and our team members. We work hand-in glove with our member cities, also with MAG. We hope 1st on the ground efforts throughout the heat season. We're distributing things like shade and water bottles, and of course we have specialized program focused on our valuable Valley Metro team members that includes things like water back packs and electrolyte packets.

Fast approaching, as mentioned, is our South Central Extension one year anniversary. This really has been a transformational investment and I am surprised in the best of ways at the amount of writership and the engagement and support of the community surrounding South Central since the time we opened. And the project, the South Mountain and South Phoenix communities have embraced this new high-quality service. Today South Central is carrying about 20% of our light rail boarding Central, and Baseline is our third busiest station.

Also one of the new extensions to the Valley Metro light rail system. In March alone, we saw 175,000 boardings across the light rail system. Many of those boardings began on the South Central Extension. At the national stage, this project is generating a great deal of attention. In recent weeks we have been on the national stage and recognized by the American Council of Engineering Companies Women's Transportation seminar, International, and the International Partnering Institute. Each of these are very prestigious awards, and I congratulate the Valley

Metro and City of Phoenix teams who are responsible for building these projects with the community.

Looking ahead with your support today, we have the draft FY27 budget ahead of you. We've been working since the month of October 2025 with you and with our city staffs to develop and refine. In that budget. We look forward to a positive trajectory into 2027. So today we've got that five-year budget for RPTA and VMR, a one-year budget and a five-year look ahead I should say on our agenda. Your input is reflected. Your input and out of your staff, I should say is reflected in this final budget. We're hopeful to have your support today. But we're also excited for what's ahead of us, and I want to give you a little bit of a preview on some of the projects and the goals that we have planned for FY27. We're expecting double-digit ridership growth. We're projecting 12% writership growth in FY27 over FY26. We look forward to sharing final FY26 writership with you.

Currently, we're continuing to see month, year over year ridership growth of double digits every single month. Our service reliability has really focused a great deal in service reliability across all of our transportation options. We're currently trending above 88% on time performance. This is remarkable and it's above our contract goals of 85% on time performance. So I want to recognize the iterative and collaborative work of our service planning and transportation teams who we've also been listening to the voices of our operators and our customers. We also are going to be working toward productivity gains associated with the Bus Network Redesign and the fixed fruit bus system across the region. We are working to shift our current bus network to meet the current market and projected foreseeable future market conditions in the Phoenix region today, building back writership across the system.

Revenue generation remains a priority for us. In FY27, we have planned programs focused on increasing fair revenue through outreach, education and enforcement as well as new partnerships. Monetizing our assets through advertising a program in clean air rebates. Next month you will see a contract award for our outdoor advertising program that is a revenue generating contract as well as our federal advocacy work and our pursuit of competitive discretionary funding to bring federal funds here to the valley to support our programs. Some of our specific goals and initiatives in FY27, which follow your direction and input and are also presented through the lens of our strategic plan includes the Bus Network Redesign, as I mentioned.

We also with the fare administration policy that this board adopted earlier this spring aimed to introduce new fair partnerships with key audiences and partners that includes things like employers, residential developments. We have just one residential development pass program today. We'd like to expand that. We'd like to expand those programs to more events and venues, think conventions, and we've got some revenue partnerships with the arena and with Phoenix Rising, but we'd like to see more of those. Coming this fall, we will also be working through the board and committees as well as city of Phoenix to reevaluate our fare system pricing. It's been quite some time since 2013 that the region updated its transit fare pricing.

We're also continuing to lean in to find better ways to communicate with our riders. That includes modernization of our call center, website, and bus stop signage across the valley. We will work with our member community, specifically Phoenix, Mesa and Tempe to advance our large rail capital programs that includes West Phoenix and extension through reevaluation of our design standards. This is work that's in progress today, and our objective there is to create cost efficiency and also minimize some of the impact of our construction activities in our communities and for our riders, and through tailored engagement programs including early business preparedness, we've got a strong business assistance and engagement program, but we think we can improve upon it further.

We are working to implement our crime prevention through environmental design and our rail collision reduction in travel optimization studies, and as I mentioned earlier, we'll launch the community safety project thanks to funding from Congresswoman Ansari.

We're going to continue to work through the ad hoc committee to develop contract management frameworks and continue to evaluate different programs for insourcing versus outsourcing.

We're excited about the year ahead. We've gotten a lot done this year. We have a lot ahead of us. We look forward to working with you and advancing these initiatives under your leadership. Just a look ahead at schedule, we've got a lot to go still in the fiscal year. We will be back in this room on June 18.

As I mentioned, a couple of big items. Those are that paratransit operations and maintenance contract and that outdoor advertising award. Each of these are already moving through our staff committees, our attack met earlier this week, TMC RMC on June 3 and the Audit and Finance Sub Committee on June 4. We will have a board recess in the month of July, but in late July, we'll pick up with staff committees preparing for that August board cycle. It is our hope to work once we seat the new officers for the next fiscal year to work to schedule a board retreat in the early fall of 2026. Madam chair, that concludes my report. Excellent and positive report today. Thank you. Alright, number three, we have the audit and finance subcommittee update.

3. Audit and Finance Subcommittee Update

Chair Adams said Councilmember White the Audit and Finance Subcommittee chair will now provide her update from the May subcommittee meeting.

Councilmember White said thank you Madam chair. The Audit and Finance Subcommittee met on Thursday, May 7th. We received an update from our Chief Financial Officer Ken Kesler with the March information for revenues, we'll get the April information we got it that day. So he will update it in the records that you'll see today.
We also received the fiscal year 2027 Valley Metro RPTA and Valley Metro Rail proposed operating and capital budgets. That's going to be in full presentation again no thunder stealing here. We did the FY27 Q3 budget review. Mr. Olson presented that information and both RPTA

and VMR are both on target. We went on to the credit card transaction audit results and finance subcommittee accepted the Credit Card Transaction Audit with no findings.

Internal audit completed a peer review and I want to just acknowledge our Chief Auditor Sabrina Beckstrom. We received the results from our peer review and Madam Chair I'm just going to take a point of personal privilege here. I wanted to 1st thank the organization for becoming Red Book certified. What does that really mean? Now Valley Metro meets international standards for professional practice of internal auditing. What is what why does it matter, right? We have to make some relevance here. It's a global benchmark. We have mandatory guidance. So their core principles are we must meet the Code of Ethics, Standards, and we have to have guidance that we're following and have a structured framework. Being certified truly means that we've demonstrated compliance with the attributes and standards performance standards, and implementation.

As we look at the review results, Valley Metro received a generally conforms to an internal quality control system was adequately designed and operating effectively to provide reasonable assurance of conformance with the standards. Engagement risk assessment process is meticulous and gathers sufficient information, well designed paperwork structure including templates and checklists. I think it's so important and I really want to thank the Board first of all for allowing me to serve as your Audit and Finance Subcommittee chair for two years straight. I know that you have other options to vote for. I have a few more people that I'd like to thank. He's not here. They're not in the room, but Bill Stipp, Clay Goodman, the council members from the West Valley Goodyear and Buckeye respectively they were my mentors that encouraged me to step out and lead in this space and in this place. I can't take any of the credit for all of this, but I do believe that I brought this as a recommendation, which is why they both considered me as a worthy candidate to serve in this role. Thank you for receiving the recommendations Sebrina.

An agency that's been around for over 40 years. This is the first peer review ever completed of a half a billion dollar agency underneath your leadership, Ms. Mefford-Miller. And I just want to thank your entire organization for doing all the work, allowing a little kid who started off at a small credit card bank MBN MBNA and got the opportunity to retire from Bank of America in having seen multiple financial crises. I don't want to make us think we're going in that direction right now, but I want to thank you for allowing me the opportunity to serve in this role and thank you for being able to receive the highest standards possible become certified.

Continuing with this report, we did get an internal audit update from Mr. Kondrat. Currently underway are the following audits. Our business continuity plan, artificial intelligence controls, internal safety and security. We went ahead and just as a monthly reminder, intergovernmental agreements, contract change orders, amendments, and awards, please take time to review those in detail and make sure that your intergovs reach out to Valley Metro with any questions.

We reported on future agenda items and current events. I do want to say after consultation, with and having shared this already with the leadership of alley Metro, the June meeting will be my final meeting as Audit and Finance Subcommittee Chair. I appreciate your leadership Madam chair. I appreciate the opportunity to serve in this role, but we do have to let things roll over. So June, our meeting will be on Thursday, June 4 at 12:00 p.m. Thank you for the honor of being able to serve, that concludes my report. Thank you.

Chair Adams said thank you very much. Thank you very much for the very thorough report. Councilmember White, and I really appreciate your leadership on this subcommittee, and you've done a great job. Thank you. Yes, you'll be very much missed. Thank you.

4. Procurement and Business Practices Joint Ad Hoc Committee Update

Chair Adams said our next item is number four - Procurement and Business Practices Joint Ad Hoc Committee Update. Council member Tolmachoff.

Councilmember Tolmachoff said thank you Madam Chair. The joint ad hoc committee had a productive meeting on April 29. We reviewed four different draft recommendations from various staff regarding procurement practices and there was a consensus to refer them to the board for action. So the proposed changes will reduce or simplify the process and shorten the procurement timeline, which was one of the goals, specific goals that we had and increased transparency and enhance oversight of on-call and task order contracts.

The presentation was provided on the agency's initial steps related to the adoption of AI, we had quite a lengthy conversation about how the agency is working to adopt some AI processes. So there has been an agency adopted an acceptable use policy in March, deployed a framework to evaluate applications for use, approve an initial batch of six applicant applications, and heard about ongoing efforts to integrate AI to enhance the agency's cyber security posture. That might be a great study session for the, for the Board to bring the Board up to date on what's actually happening cause that's not going to be part of our evaluation.

The committee reviewed and approved a high-level framework to evaluate in-sourcing opportunities. The process includes a snapshot, a proposal with rough order of magnitude cost avoidance estimates, a deep dive presentation to refine analysis and provide a better estimate of the cost avoidance or impact and establish metrics to report against. Everything looks good then the committee will, if everything looks good, the committee will refer that opportunity to the full board for consideration.

The three high level presentations of opportunities were reviewed and all three were approved to continue to develop a deep-dive analysis and related materials. At the next meeting, Monday, June 22, the committee will be looking at referring the first batch of insourcing proposals to accomplish. Which these goals have and specifically also cost savings, which is really another main goal, for consideration by the Board. There are the four items that reached a consensus and are the agenda today for the board's consideration that concludes my report.

Chair Adams said thank you for your report, really appreciate it and this item is presented for informational only.

5. Consent Agenda

Chair Adams said going to number five, the consent agenda, the consent agenda is presented for action. Does the committee have any questions or do any items need to be pulled for separate discussion?

IT WAS MOVED BY COUNCILMEMBER WHITE, SECONDED BY COUNCILMEMBER DORCEY AND UNANIMOUSLY CARRIED TO APPROVE CONSENT AGENDA ITEMS 5A AND 5B.

6. Joint Ad Hoc Committee Updates to Procurement Policies and Procedures

Chair Adams said item six is the Joint Ad Hoc Committee Update to Procurement Policies and Procedures. I will ask Jonathan Thatcher to provide the presentation for this item.

Mr. Thatcher said thank you Madam Chair members of the board. It's a pleasure to bring to you today the first four items from the Joint Ad Hoc Committee for Procurement and Business Practices. Just before we begin a little bit of background for the committee, the committee was formed by an action of the board at the September 2025 board meeting and had its initial organizational meeting in January. In February it kicked off its first working meeting where it focused on the procurement practices and policies of the organization, and that's where the draft recommendations were first presented to the committee for consideration.

During working meeting number two, the committee reviewed the draft recommendations again and then unanimously decided to refer these recommendations to the full board of directors for consideration and action today. And so that's kind of where we're at so far in this process.

I mentioned there were four policy recommendations, so the first recommendation was to eliminate the solicitation authorization requirement for RPTA. Again, this is a requirement that only exists for RPTA related solicitations, not Valley Metro rail solicitations. This would reduce the procurement timeline by two months and we would continue to issue the monthly solicitation report that you get where you can see all open and active solicitations. So this is really an item to impact that timeline reduce it by two months at the front end, and.

Allow us to move through our processes faster. Second is to adopt the FTA micro purchases and simplified acquisition thresholds as amended, which they currently sit at $350,000 respectively. This would align the delegated authorities across the both entities here at Valley Metro.

What may not be entirely obvious is that at Valley Metro RPTA on a delegated authority works with a $50,000 limit, Valley Metro Rail works with a $150,000 limit and if it's a joint item, then it reverts back to the RPTA lower $50,000 limit, so this item would unify that delegation of authority across all of the entities, so we're working with a single delegation of authority, which also lines up with our FTA compliance obligations with the city of Phoenix as well that we work with on a regular basis for all of our federally funded procurements.

The third item is to route simplified acquisition purchases to the Board agenda for information only. So this would come to the relevant Board agenda as an information only item, and it's really there to enhance transparency so that you can see these items that are between $15,000 and $350000 on a regular basis and ask any questions that you may have about those items. So this is really a transparency item on behalf of the agency and then also to route on call and task order contract awards above the simplified acquisition threshold to the board consent agenda for action. Again, this is another one of those transparency items and with a lot of our on-call contracts, when you approve the contract, you might be approving, you know, a $30 million contract spread across eight different vendors over the next five years or seven years. And this is just another transparency item that gives you another look at the item and to see how those dollars are being spent and who they're being spent with over the lifetime of that on call contract that was issued and approved by the board.

Also in your packet is, a draft of the chart basically that will go as a part of the new procurement manual, which is planned for July 1 of this year. And so this is the delegation of authority chart that delegates the authority from the Board to the CEO, and would appear in that chart and, be a part of the training of the new procurement manual for the agency. So with that, I'll just wrap up with the authorization for the recommendation, which is authorization for the chief executive officer to discontinue the requirement of submitting the procurement solicitation authorizations, adopt the FTA micro purchase and simplified acquisition threshold.

Is in the delegations of authority, route simplified acquisition purchases made to the relevant board agenda for information and then route on call and task order or job order contracts above the simplified acquisition limit to the relevant board agenda on the consent agenda unless somebody wants to pull it and talk about a particular item.

Chair Adams said thank you so much. Does the committee have any questions for Mr. Thatcher? Hearing none.

I will take a motion and a second to authorize for the Chief Executive Officer to modify impacted agency policies and procedures to:

1) Discontinue submitting to the relevant board agenda authorization to publish solicitations
2) Adopt the federal transit administration micro-purchase and simplified acquisition thresholds, as amended, unified across legal entities
3) Route simplified acquisition purchases made each period to the relevant board agenda for information
4) Route on call, task order, and job order contract awards above the simplified acquisition threshold, to the relevant board’s consent agenda

Councilmember White said thank you so much chair. I was just taking a look, great presentation, thank you so much. Thank you for all the hard work. I've been asking for the procurement manual for a while that didn't harm those audit results. So take your time July 1 sounds great.

I'm going to go back to policy recommendations, the delegation of authority from the board to the Chief Executive Officer. Can we take a look at that slide for me, please, again, and thank you. Maybe I I just have a few questions and if we can get the thought process behind it, that might be all that I need. But as I take a look at the threshold and we just know costs have skyrocketed since we've all served on this board this year. So if we, you know, we could probably put a line in the sand and give a date, but let's not be petty. The threshold with the. $350,000 or higher. I think that that threshold is probably about a $150,000 short of what I thought it might be. And then I just wanted to understand why that was set.

I do appreciate that at any dollar value coming to us, but for the first two items, new contract award, contractor amendment, change order, task orders. I was just thinking that higher dollar amount might give us a little bit more flexibility to demonstrate a little bit more trust and absorb the fact that market conditions have completely changed. And then the simplified acquisition contract amendment change order task orders, seeing that amount at $15,00 to that $350,000 I would just make mental adjustments I'm seeing just again, the mark that the environment right now might be a little bit more flexible and not carry us with it if we were more at $25,000 to again that $500,000 mark. Any particular reason and is that something that would have to be reconsidered and rewritten to go from $25,000 to the $500,000 for the final simple act $500,000 on the simple acquisition stuff. So the question is the thought process behind it and can we accommodate any changes or is this the time to modify?

Mr. Thatcher said Madam Chair members of the Board, so that these were just the recommendations. Yes, you can amend the recommendation during your discussion period. I'll defer to Jessica or Michael Wawro and the process to do that. So I think as a little bit of background on the delegations of authority, just as a point of fact, the delegation of authority for RPTA and VMR have actually never changed since our origin, as you know Councilmember White even just this year. Costs have changed markedly, but these authorities, those, that $50,000 amount $150,000 amounts have existed at those levels since the origins of each organization. So any movement is progress and certainly bringing together consistent amounts across the two organizations is a good business practice for us. I want to note, we're indexing it to the FTA micro-purchase and simplified acquisition thresholds which do move over time. And so it's allowing us not to be future proof, but a lot more future ready than we are today with these rates that have been in place for decades.

That being said, of course, that these thresholds are the discretion of this body, but I thought that background information might help address your question, council member. That is the background information.

Chair WhiteI'm cautious to make the recommendation if we're meeting a standard, that's important as well. But I just don't want us to run into any challenges if there's a quick return. Transit is one of those industries that we do have to have quick response and be very agile, and so I just want to be forward facing and allow for innovation cause those are the things that do require those quick turnarounds and might have a higher dollar value. But thank you very much.

Councilmember White said thank you.

Chair Adams said yes, thank you. Oh, do you have any other discussion on the matter?

Councilmember Tolmachoff said I just wanted to thank you Madam CEO that we do, this will give us the flexibility because we're aligning ourselves with the FTA policy.

Well I mean, we're honestly, we're not flexible and nimble at all right now with pro procurement processes that we're using. It's taking a really slapping because it takes a really long time to get this done. So, I mean if we need to make, of course, I mean, myself and I imagine the entire board's amendable to having further discussions if we find out that.

Some of this stuff needs to be changed in the future, but I think this really moves us ahead quite a bit right now for the first, I guess bite we're taking out of what this this work the committee's been doing and and the this is aligning us with the FTA's recommendation on how to do simplified acquisition thresholds. So I I think this really is still a step forward.

Chair Adams said do we have any other discussion out there? Do any other members? Yes, go ahead.

Councilmember. Oh Brian. Thank you chair. Can you tell me when the last time the FTA raised their thresholds?

Mr. Thatcher said, madam chairman members of the board, so that the FDA actually just raised the threshold last year, and I think in September of 2025, so this is a relatively recent change for them. They usually adjust these thresholds about every two to three years. Thank you madam Chair. And I just want to note the oxymoron of flexible and nimble used next to procurement in a single setting. Good point.

Councilmember Buckland said thank you Madam Chair. The question was asked about the context behind it and the why. And I think from the Board's perspective, I like where Councilmember White talked about we need to be able to trust the CEO and we do. We actually had those very conversations. This was not the five-member committee saying this is how it's going to be. There was a lot of dialogue in working with the CEO and staff to see where they needed us, you know, what how where did we, where did they need to be? And they were the ones that pointed out the FTA. Clients was really important to them. We did agree that matching that aligning that creates efficiency. Costs have gone up, so that value should go up and we really collaborated well with staff to ensure that they do feel trusted in this number and they're the ones that actually had recommended it. Now, having said if, the board wants to discuss raising that even further, I'm not opposed to that, but that's, that's kind of how it came about.

Chair Adams said okay, anyone else want to make any comments? It sounds like we kind of have consensus to say as is, so I have a motion and I have second on any other discussion just in case. All right.

IT WAS MOVED BY COUNCILMEMBER WHITE, SECONDED BY COUNCILMEMBER TOLMACHOFF AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO MODIFY IMPACTED AGENCY POLICIES AND PROCEDURES TO:

1) **DISCONTINUE SUBMITTING TO THE RELEVANT BOARD AGENDA AUTHORIZATION TO PUBLISH SOLICITATIONS**
2) **ADOPT THE FEDERAL TRANSIT ADMINISTRATION MICRO-PURCHASE AND SIMPLIFIED ACQUISITION THRESHOLDS, AS AMENDED, UNIFIED ACROSS LEGAL ENTITIES**
3) **ROUTE SIMPLIFIED ACQUISITION PURCHASES MADE EACH PERIOD TO THE RELEVANT BOARD AGENDA FOR INFORMATION**
4) **ROUTE ON CALL, TASK ORDER, AND JOB ORDER CONTRACT AWARDS ABOVE THE SIMPLIFIED ACQUISITION THRESHOLD, TO THE RELEVANT BOARD'S CONSENT AGENDA.**

7. Strategic Plan Quarterly Update

Chair Adams said item seven, Strategic Plan Quarterly Update. Are there any questions from the committee? Seeing none. This item is presented for informational only.

8. Travel and Expenditures

This item is presented for information only.

9. Report on Current Events and Suggested Future Agenda Items

Chair Adams said item nine, Report on Current Events and Suggested Future Agenda Items. Do the members of the committee have any current events or suggested future agenda items for consideration?

Councilmember Whites said I heard the commentary this morning and I do recall, I just wanted to thank Valley Metro for allowing me to go and participate in the impact conferences in one of the, in the last year's Mpact Conference, was, I believe in Portland and we had the opportunity to live experience and do a mobile tour for exactly what the gentleman in the audience talked about. One, two different people referred to things that we experienced. It was the tap pay from mobile devices, so I know that's already a part of the study. I don't know if we need an agenda item, but, designated rail active transit, I call intensity and traffic study. I don't know if we could do that with any future developments. I don't want to infringe upon the direction of our majority municipality here, but I think as we look forward to seeing expansion throughout Maricopa County with rail. I think it would be great if we did have some designated rail and walking active transit spaces and I think they said a bridge or a highway, they do have that existing throughout the Portland region. And so I think that I was sent there for a purpose and I just want to report on the fact that that exists, thank you for the recommendations and see if any studies can be done or any feedback can be provided to us.

And also a shout out to Marty who Mpact is recognizing this week talking about CPTED. He is on the Mpact steering committee representing Valley Metro. Thank you for all that you do. Marty did a great job. We did an awesome mobile tour to view all of those stops here during the Arizona Public Transit Association conference a couple of months ago. So, those are all important things that we can continue to tie some of these studies together, but that is something I'd like us to have reporting on in the future. Thank you.

Chair Adams said thank you. Do we have any other members that would like to report on any current events or suggested future agenda items?

Okay, seeing none. Next meeting, the next meeting of our joint boards of is scheduled for Thursday, 18 June 2026 at 11:15 a.m.

With no further discussion the meeting adjourned at 12:17 p.m.

Executive Summary

DATE **AGENDA ITEM 4B**
June 11, 2026

SUBJECT
Fiscal Year 2027 Intergovernmental Agreements (IGA)

COST AND BUDGET
Please see Exhibit A for a detailed listing of the intergovernmental agreements (“IGA”) and their dollar amounts.

RECOMMENDATION
Authorization for the Chief Executive Officer to execute the FY27 IGAs and IGA amendments as listed and for the periods of performance.

COMMITTEE PROCESS
RTAG: May 19, 2026, for information
TMC/RMC: June 3, 2026 approved
Boards of Directors: June 18, 2026, for action

CONTACT
Ken Kessler
Chief Financial Officer
kkessler@valleymetro.org

ATTACHMENT
Exhibit A, list of IGAs and IGA amendments

Background Information

Each fiscal year, IGAs and IGA amendments are executed to provide member cities, non member cities and communities and Maricopa County with revenue, cost and reimbursement estimates for the next fiscal year. These IGAs and IGA amendments require board approval prior to the next fiscal year (FY27). The estimates included in each IGA and IGA amendment are summarized in Exhibit A.

The estimates are based on the latest costs and services funded by each member city, non member city and community and Maricopa County. Changes that are a result of potential service changes in October 2026 and April 2027 will be brought to the Board for approval after the final list of service changes is determined.

Expense/ Revenue	Member Agency/Jurisdiction Intergovernmental Agreement No.	Brief Description	FY 2026 Amount	FY 2027 Amount	Change from FY 2026 to FY 2027
PTF Reimbursement	City of Avondale 106-75-2027	ADA & Non ADA Allocations	$332,448	$349,878	$17,430
PTF Reimbursement	City of Avondale 106-75-2027	Fixed Route Transit Services	$1,368,497	$1,444,996	$76,499
PTF Reimbursement	City of Avondale 106-75-2027	RideChoice	$225,364	$257,757	$32,393
PTF Reimbursement	City of Avondale 106-75-2027	Paratransit	$107,084	$92,121	($14,963)
Revenue	City of Avondale 106-75-2027	RideChoice	$20,495	$0	($20,495)
Revenue	City of Avondale 106-75-2027	Paratransit	$0	$0	$0
Revenue	City of Avondale 106-75-2027	Fixed Route Transit Services	$0	$0	$0
PTF Reimbursement	City of Buckeye 166-75-2027	Fixed Route Transit Services	$31,558	$93,110	$61,552
Revenue	City of Buckeye 166-75-2027	Fixed Route Transit Services	$30,721	$0	($30,721)
PTF Reimbursement	City of Chandler 118-75-2027	ADA Allocations	$2,660,770	$2,320,209	($340,561)
PTF Reimbursement	City of Chandler 118-75-2027	Fixed Route Transit Services	$12,442,321	$13,556,417	$1,114,096
PTF Reimbursement	City of Chandler 118-75-2027	Paratransit	$2,127,853	$1,705,613	($422,240)
PTF Reimbursement	City of Chandler 118-75-2027	RideChoice	$532,917	$614,596	$81,679
Revenue	City of Chandler 118-75-2027	Paratransit	$0	$659,025	$659,025
Revenue	City of Chandler 118-75-2027	Fixed Route Transit Services	$0	$0	$0
Revenue	City of Chandler 118-75-2027	RideChoice	$624,208	$591,002	($33,206)
PTF Reimbursement	City of El Mirage 121-48-2027	ADA Allocations	$27,783	$24,550	($3,233)
PTF Reimbursement	City of El Mirage 121-48-2027	Paratransit	$27,783	$24,550	($3,233)
Revenue	City of El Mirage 121-48-2027	Paratransit	$0	$0	$0

Expense/ Revenue	Member Agency/Jurisdiction Intergovernmental Agreement No.	Brief Description	FY 2026 Amount	FY 2027 Amount	Change from FY 2026 to FY 2027
PTF Reimbursement	Town of Fountain Hills 124-75-2027	ADA Allocations	$18,245	$1,089	($17,156)
PTF Reimbursement	Town of Fountain Hills 124-75-2027	Fixed Route Transit Services	$0	$0	$0
PTF Reimbursement	Town of Fountain Hills 124-75-2027	RideChoice	$18,245	$1,089	($17,156)
Revenue	Town of Fountain Hills 124-75-2027	RideChoice	$56,910	$0	($56,910)
Revenue	Town of Fountain Hills 124-75-2027	Special RideChoice	$26,007	$112,313	$86,306
Revenue	Gila River Indian Community 128-75-2027	Fixed Route Transit Services	$654,699	$713,763	$59,064
PTF Reimbursement	Town of Gilbert 130-75-2027	Fixed Route Transit Services	$5,964,649	$6,444,235	$479,586
PTF Reimbursement	Town of Gilbert 130-75-2027	Paratransit	$2,408,832	$1,915,566	($493,266)
PTF Reimbursement	Town of Gilbert 130-75-2027	RideChoice	$0	$999,379	$999,379
PTF Reimbursement	Town of Gilbert 130-75-2027	ADA & Non ADA Allocations	$2,408,832	$2,826,233	$417,401
Revenue	Town of Gilbert 130-75-2027	Paratransit	$112,195	$678,376	$566,181
Revenue	Town of Gilbert 130-75-2027	RideChoice	$935,265	$0	($935,265)
PTF Reimbursement	City of Glendale 133-75-2027	ADA Allocations	$934,753	$2,767,782	$1,833,029
PTF Reimbursement	City of Glendale 133-75-2027	Fixed Route Transit Services	$8,113,093	$9,047,288	$934,195
Revenue	City of Glendale 133-75-2027	Paratransit	$1,859,514	$0	($1,859,514)
Revenue	City of Glendale 133-75-2027	RideChoice	$402,500	$0	($402,500)
PTF Reimbursement	City of Glendale 133-75-2027	Paratransit	$0	$1,491,079	$1,491,079
PTF Reimbursement	City of Glendale 133-75-2027	RideChoice	$0	$267,261	$267,261
PTF Reimbursement	City of Goodyear 136-75-2027	ADA Allocations	$17,574	$63,003	$45,429

Expense/ Revenue	Member Agency/Jurisdiction Intergovernmental Agreement No.	Brief Description	FY 2026 Amount	FY 2027 Amount	Change from FY 2026 to FY 2027
PTF Reimbursement	City of Goodyear 136-75-2027	Paratransit	$17,574	$35,234	$17,660
PTF Reimbursement	City of Goodyear 136-75-2027	RideChoice	$0	$27,769	$27,769
PTF Reimbursement	City of Goodyear 136-75-2027	Fixed Route Transit Services	$402,465	$417,424	$14,959
Revenue	City of Goodyear 136-75-2027	Fixed Route Transit Services	$0	$0	$0
Revenue	City of Goodyear 136-75-2027	Paratransit	$60,331	$0	($60,331)
Revenue	City of Goodyear 136-75-2027	RideChoice	$321,028	$235,694	($85,334)
PTF Reimbursement	City of Guadalupe 139-75-2027	Fixed Route Transit Services	$339,774	$369,864	$30,090
PTF Reimbursement	City of Litchfield Park 142-75-2027	RideChoice	$0	$128	$128
Revenue	City of Litchfield Park 142-75-2027	RideChoice	$25,302	$21,323	($3,979)
PTF Reimbursement	City of Litchfield Park 142-75-2027	ADA Allocations	$0	$128	$128
Revenue	Maricopa Association of Governments (MAG) #1199-2027	Transit Planning Services	$724,720	$724,720	$0
Revenue	Maricopa Association of Governments (MAG) #1025-2027	Regional Rideshare/Telework	$594,000	$594,000	$0
Revenue	Maricopa County 215-75-2019-09	Paratransit	$0	$0	$0
Revenue	Maricopa County 215-75-2019-09	RideChoice	$1,701,137	$961,634	($739,503)
PTF Reimbursement	Maricopa County 215-75-2019-09	Paratransit	$173,835	$249,004	$75,169
PTF Reimbursement	Maricopa County 215-75-2019-09	RideChoice	$0	$564,941	$564,941
PTF Reimbursement	Maricopa County 215-75-2019-09	ADA Allocations	$173,835	$813,945	$640,110
Revenue	Maricopa County 215-15-2027	Trip Reduction Expansion	$356,000	$356,000	$0
Revenue	Maricopa County 215-14-2027 ADEQ-TRP	Trip Reduction	$175,000	$175,000	$0

Expense/ Revenue	Member Agency/Jurisdiction Intergovernmental Agreement No.	Brief Description	FY 2026 Amount	FY 2027 Amount	Change from FY 2026 to FY 2027
Revenue	City of Mesa 145-75-2027	Paratransit	$0	$0	$0
PTF Reimbursement	City of Mesa 145-75-2027	ADA & Non ADA Allocations	$5,645,511	$7,612,372	$1,966,861
PTF Reimbursement	City of Mesa 145-75-2027	Fixed Route Transit Services	$25,952,408	$28,273,734	$2,321,326
PTF Reimbursement	City of Mesa 145-75-2027	Paratransit	$4,493,585	$3,772,766	($720,819)
PTF Reimbursement	City of Mesa 145-75-2027	RideChoice	$3,559,081	$3,839,606	$280,525
Revenue	City of Mesa 145-75-2027	Fixed Route Transit Services	$4,997,487	$5,523,848	$526,361
Revenue	City of Mesa 145-75-2027	RideChoice	$0	$0	$0
PTF Reimbursement	City of Peoria 151-75-2027	ADA Allocations	$299,651	$1,575,489	$1,275,838
PTF Reimbursement	City of Peoria 151-75-2027	Fixed Route Transit Services	$4,398,896	$3,869,111	($529,785)
PTF Reimbursement	City of Peoria 151-75-2027	Paratransit	$0	$586,123	$586,123
Revenue	City of Peoria 151-75-2027	Paratransit	$736,085	$0	($736,085)
Revenue	City of Peoria 151-75-2027	Fixed Route Transit Services	$0	$0	$0
PTF Reimbursement	City of Peoria 151-75-2027	RideChoice	$0	$509,570	$509,570
Revenue	City of Peoria 151-75-2027	RideChoice	$440,982	$0	($440,982)
Expense	City of Phoenix 150638-2027	Fixed Route Transit Services - RPTA Buys	$29,416,985	$21,868,000	($7,548,985)
PTF Reimbursement	City of Phoenix 143071-2027	Fixed Route Transit Services	$3,948,712	$4,208,390	$259,678
PTF Reimbursement	City of Phoenix 143071-2027	Paratransit	$8,178,366	$8,115,902	($62,464)
PTF Reimbursement	City of Phoenix 143071-2027	ADA Allocations	$30,310,533	$35,365,088	$5,054,555
Revenue	City of Phoenix 143071-2027	Paratransit	$0	$0	$0
Revenue	City of Phoenix 143071-2027	Fixed Route Transit Services - Phx Buys	$13,141,790	$14,489,270	$1,347,480

Expense/ Revenue	Member Agency/Jurisdiction Intergovernmental Agreement No.	Brief Description	FY 2026 Amount	FY 2027 Amount	Change from FY 2026 to FY 2027
Revenue	City of Phoenix 155-84-2027	Phoenix RPTA RideChoice	$884,875	$696,406	($188,469)
PTF Reimbursement	City of Phoenix 143071-2027	Phoenix RPTA RideChoice	$0	$1,062,194	$1,062,194
Expense	City of Phoenix 154-56-2027	B2G	$8,055	$9,325	$1,270
Expense	Regional Transportation Authority 203-75-2027 A-1	Regional Fixed Route Transit Services	$0	$0	$0
Expense	Regional Transportation Authority 203-75-2027 A-2	Regional Fixed Route Transit Services	$821,807	$1,391,815	$570,008
PTF Reimbursement	City of Scottsdale 160-75-2027	ADA & Non ADA Allocations	$2,197,715	$2,248,551	$50,836
PTF Reimbursement	City of Scottsdale 160-75-2027	Fixed Route Transit Services	$13,166,237	$13,924,102	$757,865
PTF Reimbursement	City of Scottsdale 160-75-2027	Paratransit	$1,334,003	$1,517,506	$183,503
Revenue	City of Scottsdale 160-75-2027	Paratransit	$0	$0	$0
Revenue	City of Scottsdale 160-75-2027	RideChoice	$0	$0	$0
PTF Reimbursement	City of Scottsdale 160-75-2027	RideChoice	$863,712	$731,045	($132,667)
PTF Reimbursement	City of Surprise 166-5-2027	ADA Allocations	$64,027	$24,656	($39,371)
PTF Reimbursement	City of Surprise 166-75-2027	RideChoice	$0	$24,065	$24,065
PTF Reimbursement	City of Surprise 166-75-2027	Paratransit	$64,027	$591	($63,436)
PTF Reimbursement	City of Surprise 166-75-2027	Fixed Route Transit Services	$1,420,072	$1,452,067	$31,995
Revenue	City of Surprise 166-75-2027	Fixed Route Transit Services	$0	**$0**	$0
Revenue	City of Surprise 166-75-2027	RideChoice	$1,486,060	$1,870,796	$384,736
Revenue	City of Surprise 166-75-2027	Paratransit	$290,487	$178,256	($112,231)
Expense	City of Tempe 169-75-2027	EVBOM	$9,112,910	$8,535,000	($577,910)

Expense/ Revenue	Member Agency/Jurisdiction Intergovernmental Agreement No.	Brief Description	FY 2026 Amount	FY 2027 Amount	Change from FY 2026 to FY 2027
Revenue	City of Tempe 169-31-2027	Paratransit	$512,896	$9,975	($502,921)
Revenue	City of Tempe 169-31-2027	RideChoice	$1,557,573	$406,540	($1,151,033)
PTF Reimbursement	City of Tempe 169-31-2027	Fixed Route Transit Services	$13,190,998	$14,393,812	$1,202,814
Revenue	City of Tempe 169-31-2027	Fixed Route Transit Services	$28,919,435	$32,368,008	$3,448,573
PTF Reimbursement	City of Tempe 169-31-2027	ADA & Non ADA Allocations	$1,399,862	$2,870,812	$1,470,950
PTF Reimbursement	City of Tempe 169-31-2027	Paratransit	$1,399,862	$1,598,821	$198,959
PTF Reimbursement	City of Tempe 169-31-2027	RideChoice	$0	$1,271,991	$1,271,991
Expense	City of Tempe 169-62-2027	Bus Fleet	$0	$0	$0
PTF Reimbursement	City of Tolleson 172-75-2027	ADA & Non ADA Allocations	$13,992	$152,777	$138,785
PTF Reimbursement	City of Tolleson 172-75-2027	Fixed Route Transit Services	$597,222	$642,968	$45,746
PTF Reimbursement	City of Tolleson 172-75-2027	Paratransit	$13,992	$129,196	$115,204
PTF Reimbursement	City of Tolleson 172-75-2027	RideChoice	$0	$23,581	$23,581
Revenue	City of Tolleson 172-75-2027	Paratransit	$85,277	$0	($85,277)
Revenue	City of Tolleson 172-75-2027	Fixed Route Transit Services	$0	**$0**	$0
Revenue	City of Tolleson 172-75-2027	RideChoice	$24,573	$0	($24,573)
PTF Reimbursement	VM LRT Program 175-05-2027	RPTA-VMR-PTF	$0	$0	$0
PTF Reimbursement	Town of Youngtown 172-75-2027	Paratransit	$2,015	$130,617	$128,602
PTF Reimbursement	Town of Youngtown 172-75-2027	ADA Allocations	$2,015	$130,617	$128,602
Revenue	Town of Youngtown 172-75-2027	Paratransit	$134,379	$30,777	($103,602)

Executive Summary

DATE **AGENDA ITEM 4C**
June 11, 2026

SUBJECT
Advertising Sales Services Contract Award

COST AND BUDGET
This is a revenue generating contract. There is no funding obligation.

Minimum guaranteed revenue generation for the initial five-year term is $9,950,000. The minimum aggregate 10-year revenue generation value is $21,625,000. The Minimum Annual Guarantee (or MAG), as noted above, or 65% of net advertising revenue billing, whichever is greater, will be paid to Valley Metro.

RECOMMENDATION
Authorization for the Chief Executive Officer to enter into a contract with Lamar Transit, LLC, for Advertising Sales with a five-year initial term with options to extend up to the maximum term of 10 years.

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals and strategies in the Five-Year Strategic Plan:

- Goal 9: Financial sustainability
    - Tactic 9.3: Maximize revenue generation

COMMITTEE PROCESS
RTAG: May 19, 2026 for information
TMC/RMC: June 3, 2026 approved
Boards of Directors: June 18, 2026 for action

CONTACT
Hillary Foose
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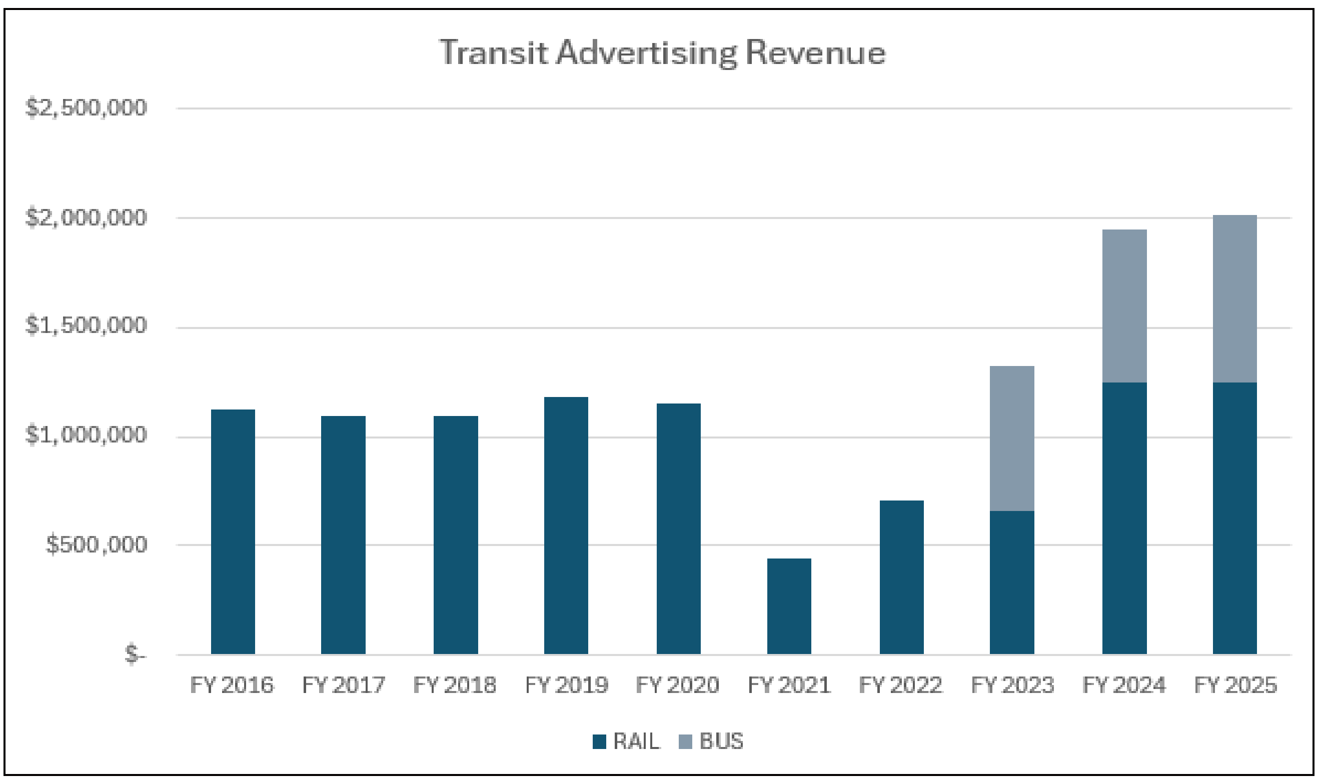
hfoose@valleymetro.org

ATTACHMENT
A copy of the contract is available for review.

Background Information

This contract is needed to realize revenue from a full range of advertising sales services for the bus and rail system, including selling, installing, maintaining and managing the agency's third-party advertising sales program, which consists of exterior vehicle wraps for both bus and light rail, light rail interior ceiling advertisements, and light rail station advertising. Throughout the solicitation, measures were implemented to ensure maximized revenue, leverage assets and innovative technologies, incorporate best practices and operational requirements, and support member cities in achieving their revenue goals.

Advertising sales began on Valley Metro Rail assets in 2015 with the contract being extended to support Valley Metro RPTA bus assets in 2022. Advertising revenues generated by Valley Metro Rail are distributed directly to the three member cities on a quarterly basis. Revenues from kiosks, pods, and station dominations are allocated to member cities based on actual sales, while rail vehicle advertising revenue is distributed according to each city's percentage of revenue miles. For RPTA services, advertising revenue is applied on a per-mile basis to reduce the overall cost of service. These cost reductions benefit member cities by lowering the per mile cost of service. The program is governed by Board-adopted Advertising Policies, one for each Valley Metro Rail and Valley Metro RPTA, that establish the assets available in this program and the Advertising Standards, which govern advertising content and are aligned with other regional transit advertising programs. Below are revenue allocations across the last decade of this program, providing revenue and benefits outside of traditional funding sources.



Advertising Sales Services goals as emphasized in the scope:
- Maximize regional advertising revenue
- Maintain high-quality, professional advertising
- Ensure compliance with advertising policy
- Enable program growth and flexibility

The selected offeror, Lamar Transit has a strong record of expanding market reach, maximizing asset value, and driving revenue growth. They have consistently demonstrated their ability to exceed Minimum Annual Guarantees (MAG) across other transit contracts. They currently hold advertising contracts at over 40 transit agencies including City of Phoenix, SunTran, Sacramento Regional Transportation, SamTrans, Capital District Transportation Authority, Palm Tran / Palm Beach County, and Community Transit.

The MAG or 65% share of net advertising revenue billing, whichever is greater, will be paid to Valley Metro.

The MAG for the bus and rail programs increases in each successive contract year, beginning with a combined 18% increase from year one to year two. For the bus program, the MAG reflects an average annual increase of 3% from years two through five, while the rail program shows an average annual increase of 4.2% over the same period.

Minimum Annual Guarantee (MAG) Years 1 through 5

Year	Bus Program	LRT Program	Bus & LRT Programs
1	$750,000	$910,000	$1,660,000
2	$825,000	$1,135,000	$1,960,000
3	$850,000	$1,185,000	$2,035,000
4	$875,000	$1,235,000	$2,110,000
5	$900,000	$1,285,000	$2,185,000
Total Years 1-5	**$4,200,000**	**$5,750,000**	**$9,950,000**

Minimum Annual Guarantee (MAG) Years 6 through 10

Option Year	Bus Program	LRT Program	Bus & LRT Programs
6	$925,000	$1,310,000	$2,235,000
7	$950,000	$1,335,000	$2,285,000
8	$975,000	$1,360,000	$2,335,000
9	$1,000,000	$1,385,000	$2,385,000
10	$1,025,000	$1,410,000	$2,435,000
Total Years 6-10	**$4,875,000**	**$6,800,000**	**$11,675,000**

Innovative offerings and contract advantages of Lamar Transit's proposal:
- The MAG will be provided as an upfront payment prior to the start of each contract year.
- Valley Metro will receive $100,000 annual production credits across both the bus and rail programs ($50,000 each) which may be used for promotional or community messaging. Separate from the MAG, these production credits cover graphic design, printing, materials and installation that allow the agency to deliver high-impact campaigns without

adding production costs, helping to offset expenses already anticipated in the annual budget.

- Lamar Transit has proposed making an investment of up to $425,000 to install high-performance LED digital displays at the 10 highest volume rail stations, with the expectation that the cost would ultimately be offset by advertising revenue. We will assess the potential advertising revenue from 10 digital displays, along with opportunities for future expansion, to determine viability. In addition to generating advertising revenue, the displays could also serve as real-time communication tools for riders, providing information such as arrival and departure times, service alerts, and safety messages.

PROCUREMENT INFORMATION

A Request for Proposal procurement was processed in accordance with the Agency's Joint Procurement Manual.

Four offerors submitted proposals deemed responsive and responsible. An evaluation committee of agency and member city staff evaluated those offers on the following criteria with a maximum possible point total of 1,000:

- Experience of the Firm (0 – 200 points)
- Qualifications and Experience of Assigned Personnel (0 – 150 points)
- Understanding/Approach to the Scope of Work (0 – 175 points)
- Financial Stability (0 – 175 points)
- Revenue Compensation (0 – 300 points)

After reaching consensus, the evaluation committee recommends an award to Lamar Transit, LLC based on the following results:

- Lamar Transit, LLC 924.25 points
- Clear Channel Outdoor 914.50 points
- Outfront Media Group 768.50 points
- Intersection Media 709.50 points

CONTRACT TYPE AND TERM

This is a revenue generating contract with a Minimum Annual Guarantee and a fixed revenue share percentage above the minimum. The contract will begin on or about July 1, 2026, for an initial five-year term with options to extend up to the maximum term of 10 years.

Advertising Sales Services Contract Award

Revenue Generating Contract

1

Background Information

- Provides advertising sales support for bus and rail
  - Buses, light rail trains, light rail stations
  - Sales, installation, maintenance & overall program management
- Program goals:
  - Maximize regional advertising revenue
  - High-quality, professional advertising
  - Advertising policy compliance
  - Program growth and flexibility

2

2

Background Information

- Current contract initiated in 2015
  - Bus advertising added in FY23
- Achieve $5,000,000+ in advertising revenue across last three fiscal years

FY	Bus	Rail	Total
2023	$662,822	$656,058	$1,318,881
2024	$701,519	$1,250,000	$1,951,519
2025	$765,412	$1,250,000	$2,015,412
TOTAL	**$2,129,753**	**$3,156,058**	**$5,285,812**

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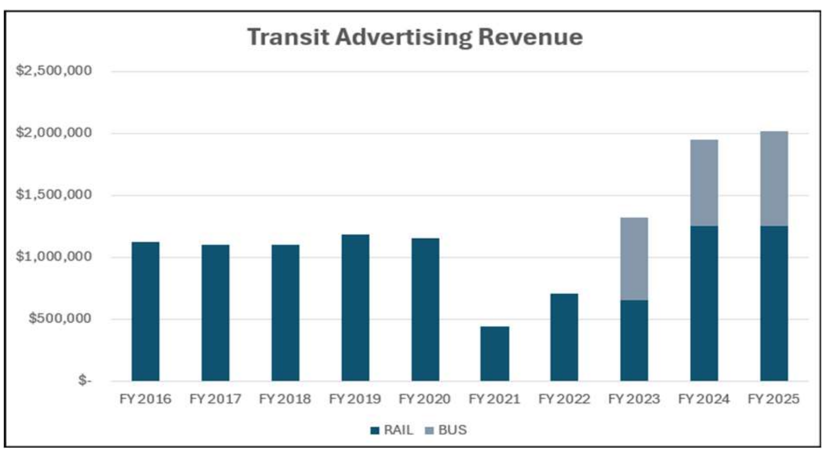
Transit Advertising Offers Revenue Benefits Outside Traditional Funding



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Evaluation Committee Recommendation

- Evaluation committee reviewed four proposals and recommends award to Lamar Transit, LLC
- Contract advantages:
  - Increasing Minimum Annual Guarantee (or MAG) for both bus and rail
  - Pre-paid MAG each contract year
  - $100,000 annual production credits for promotional & community messaging
  - Proposed investment to install digital displays at high volume locations

LAMAR
TRANSIT ADVERTISING

5

VALLEY METRO

5

Background on Lamar Transit

- Lamar Transit has strong record of expanding market reach, maximizing asset value & driving revenue growth
- 50+ transit only partnerships in North America including:
  - City of Phoenix
  - SunTran (Tucson)
  - Sacramento Regional Transportation (CA)
  - Alameda Contra Costa Transit District (CA)
  - Milwaukee County Transit System (WI)
  - SamTrans (CA)
  - Palm Tran / Palm Beach County (FL)
  - Community Transit (WA)

6

VALLEY METRO

6

Award Recommendation

- **$9.9M** in minimum guaranteed revenue for initial 5-year term
  - **$21.6M** in minimum guaranteed revenue for aggregate 10-year term
- **Minimum Annual Guarantee (MAG) or 65% share of net advertising revenue**, whichever is greater, will be paid to Valley Metro & member cities

7

7

Minimum Annual Guarantee Years 1 through 10

Contract Year	Bus Program	Rail Program	Total
1	750,000	910,000	1,660,000
2	825,000	1,135,000	1,960,000
3	850,000	1,185,000	2,035,000
4	875,000	1,235,000	2,110,000
5	900,000	1,285,000	2,185,000
6	925,000	1,310,000	2,235,000
7	950,000	1,335,000	2,285,000
8	975,000	1,360,000	2,335,000
9	1,000,000	1,385,000	2,385,000
10	1,025,000	1,410,000	2,435,000
TOTAL	**$9,075,000**	**$12,550,000**	**$21,625,000**

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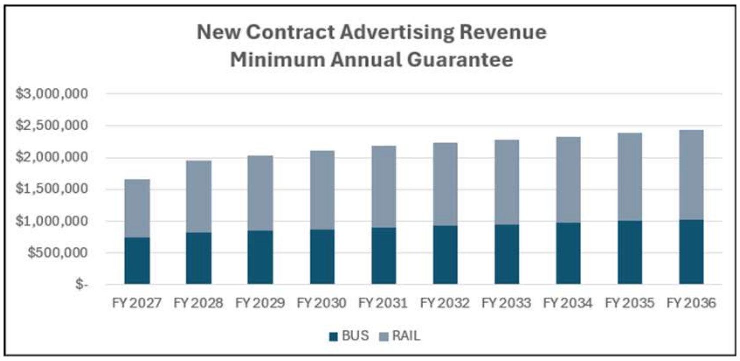
Minimum Annual Guarantee Years 1 through 10



- Bus & Rail MAG increases an average of 18% from Year 1 to 2
  - Bus MAG increases an average of 3% annually (Years 1 – 5)
  - Rail MAG increases an average of 4.2% annually (Years 1 – 5)
- Bus & Rail MAG increases an average of 2.2% from Years 5 – 10

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9

Recommendation

Authorization for the Chief Executive Officer to enter into a revenue-generating contract with Lamar Transit, LLC, for Advertising Sales Services, with a five-year initial term with options to extend up to the maximum term of 10 years.

10

10

Executive Summary

DATE
June 11, 2026

AGENDA ITEM 4D

SUBJECT
Pest Control Services Contract Award

COST AND BUDGET
Cost for the full term is $87,762, plus a contingency of $8,776 or 10% of the full term cost. The aggregate contract value will not exceed $96,538. The split is approximately $12,060 for RPTA and $75,702 for VMR.

For FY26, the contract obligation is fully funded within the adopted FY26 Operating and Capital Budget. Contract obligations beyond FY26 are incorporated into the Agency's Five-Year Operating Forecast and Capital Program (FY26 through FY30).

The source of funds is member cities.

RECOMMENDATION
Authorization for the Chief Executive Officer to enter into a cooperative contract with City Wide Pest Control Inc, for pest control services to begin on or about June 30, 2026, and expire on October 31, 2028, with no options to extend. The aggregate value of the contract will not exceed $96,538.

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals and strategies in the Five-Year Strategic Plan:

- Goal 8: Operational excellence
    - Tactic 8.2: Codify a comprehensive maintenance and operations program
    - Tactic 8.3: Improve service quality through enhanced planning, performance management, and continuous improvement

COMMITTEE PROCESS
RTAG: May 19, 2026, for information
TMC/RMC: June 3, 2026, approved
Boards of Directors: June 18, 2026, for action

CONTACT
Rob Rosenberg
Deputy Chief, Rail Maintenance
Rrosenberg@valleymetro.org

ATTACHMENT
A copy of the contract is available for review.

Background Information

City Wide Pest Control Inc. will provide the following services at both bus and rail facilities, as well as along the rail alignment:

Preventative Monthly Pest Control Services:

- Treatment and control of insects

On-Demand Pest Control Services:

- Bird control and deterrence
- Rodent removal and management
- Bed bugs control and deterrence

Emergency Inspection and Extermination:

- Termite inspection and extermination services

Services will be performed monthly at the Rail Operations Maintenance Center and Mesa Bus Operations Maintenance facilities, and quarterly along the rail alignment.

Additional services using contingency will be identified by facilities staff at bus and rail locations and will determine the services needed including any not listed above but available through City Wide Pest Control Inc. This will be consolidating the variety of services utilized across multiple locations to allow facilities to coordinate usage, as needed.

PROCUREMENT INFORMATION
In accordance with the Agency's Joint Procurement Manual, standard competition was waived as a result of an approved Determination Memo and processed as a cooperative contract. The City of Phoenix Contract No. 159439 - Pest Control Services contract was awarded using a competitive process consistent with the Agency's procurement processes set forth in the Joint Procurement Manual.

CONTRACT TYPE AND TERM
The contract is a fixed-price with economic adjustment contract. The contract will begin on or about June 30, 2026, and is co-terminus with the Cooperative Contract on October 31, 2028, with no options to extend.

Pest Control Services Contract Award

1

Pest Control Services Contract Award

Services are for the performance of a full range of pest control services at both bus and rail facilities, as well as along the rail alignment:

- Preventative Monthly Pest Control Services
- Treatment and control of insects
- On-Demand Pest Control Services:
- Bird control and deterrence
- Rodent removal and management
- Bed bugs control and deterrence
- Emergency Inspection and Extermination:
- Termite inspection and extermination services

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Pest Control Services Contract Award

3

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Recommendation

Authorization for the Chief Executive Officer to enter into a cooperative contract with City Wide Pest Control Inc, for pest control services to begin on or about June 30, 2026, and expire on October 31, 2028, with no options to extend. The aggregate value of the contract will not exceed $96,538.

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Executive Summary

DATE **AGENDA ITEM 4E**
June 11, 2026

SUBJECT
Investment Management Services Contract Amendment

COST AND BUDGET
Cost for the extension is estimated to be $369,000, plus a contingency of $18,450. The aggregate contract value will not exceed $510,450. The split of additional cost for the extension is approximately $338,000 for RPTA and $26,000 for VMR.

For FY27, the contract obligation is fully funded within the adopted FY27 Operating and Capital Budget. Contract obligations beyond FY27 are incorporated into the Agency's Five-Year Operating Forecast and Capital Program (FY26 through FY30).

RECOMMENDATION
Authorization for the Chief Executive Officer to execute a contract amendment with U.S. Bancorp Asset Management, Inc., to extend the contract through June 30, 2028, and increase the aggregate value of the contract not to exceed $510,450.

STRATEGIC PLAN ALIGNMENT
- Goal 9: Financial sustainability
  - Tactic 9.3: Maximize revenue generation

COMMITTEE PROCESS
RTAG: May 19, 2026 for information
TMC/RMC: June 3, 2026 approved
Boards of Directors: June 18, 2026 for action

CONTACT
Ken Kessler
Chief Financial Officer
kkessler@valleymetro.org

ATTACHMENT
A copy of the contract amendment is available for review.

Background Information

The board authorized Valley Metro to utilize the cooperative agreement between City of Mesa and U.S. Bancorp Asset Management, Inc., until June 30, 2026. The contract with City of Mesa and U.S. Bancorp Asset Management, Inc., does not expire until June 30, 2028. Therefore, Valley Metro is requesting authorization to continue utilizing the same contract until it expires.

This contract is needed to assist Valley Metro financial staff in the process of responsibly investing resources. U.S. Bancorp Asset Management will assist the Valley Metro management in the prudent management of the investment portfolio. U.S. Bancorp Asset Management would directly manage only a portion of Valley Metro's investments.

Valley Metro has utilized U.S. Bancorp Asset Management services through a cooperative agreement with the City of Mesa. In September 2024, the Board authorized Valley Metro to utilize that cooperative agreement until the end of fiscal year 2026. In January 2025, Valley Metro obtained authorization from the Board to issue a competitive solicitation for investment management services. However, prior to the issuance of the solicitation, it was determined that Valley Metro has a substantially smaller amount of investable assets than the City of Mesa, and as a result, we would not receive comparable pricing from a competitive solicitation. Therefore, it was determined that it was most cost effective to continue to utilize the cooperative agreement.

The contract provides the flexibility to use U.S. Bancorp Asset Management over the next two years to provide investment management services to maximize returns on idle cash.

	FY26 (projected)	FY27	FY28
Costs	$43,000	$170,000	$199,000
Average assets under management	$36 million	$142 million	$166 million
Investment returns	$1.3 million	[redacted]	[redacted]

U.S. Bancorp Asset Management is paid a fixed rate based on the investments they are managing each month. The proposed average annual cost for the two-year extension of $184,500 is greater than the contractual not to exceed amount for the past two years of $70,285 as current cash flow projections show increases in idle cash and it provides the opportunity to have the investment manager manage up to 75% of projected cash balances. Our current investment practice is to limit investments with U.S. Bancorp Asset Management. For example, as of March 31, 2026, we have only utilized U.S. Bancorp Asset Management for approximately 20% of investments, with remaining funds invested in the Arizona State Treasurer's Local Government Investment Pool 5. In addition, based on current cash flow projections the amount of idle cash is expected to increase compared to FY26 in both fiscal year 2027 and 2028.

CONTRACT TYPE AND TERM

The contract is a standard fee in basis points contract. The contract began on October 1, 2024, and will end June 30, 2028, with no options to extend.

1

Background

- Valley Metro currently utilizes U.S. Bancorp Asset Management
- Board authorized to utilize the City of Mesa cooperative contract through 6/30/2026.
- The City of Mesa contract expires 6/30/2028
- Pricing from Valley Metro's only competitive solicitation is not comparable to the City of Mesa contract

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Recommendation

Authorization for the Chief Executive Officer to execute a contract amendment with U.S. Bancorp Asset Management, Inc., to extend the contract through June 30, 2028, and increase the aggregate value of the contract not to exceed $510,450.

Executive Summary

DATE **AGENDA ITEM 4F**
May 27, 2026

SUBJECT
FY27 Information Technology Professional Services Re-authorization

COST AND BUDGET
Cost for the full term is $763,000, plus a contingency of $76,300 or 10% of the full-term cost. The aggregate contract value will not exceed $839,300. The split is approximately $473,050 for RPTA and $289,950 for VMR.

For FY27, the contract obligation is incorporated into the proposed FY27 budget. Contract obligations beyond FY27 are incorporated into the Agency's Five-Year Operating Forecast and Capital Program (FY26 through FY30).

The sources of funds are Public Transportation Funds, federal grants and member cities.

RECOMMENDATION
Authorization for the Chief Executive Officer to procure necessary information technology professional services in an amount not to exceed $839,300 for the period of July 1, 2026, through June 30, 2027.

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals and strategies in the Five-Year Strategic Plan,

- Goal 1: Deliver excellent customer experience
  - Tactic 1.1: Incorporate human-centered design principles and practices
  - Tactic 1.2: Prioritize a unified customer experience across modes
- Goal 4: Leverage industry best practices and innovations on data and technology
  - Tactic 4.1: Improve automation and reliability of transit data
  - Tactic 4.2: Use enterprise capture and data analysis to better serve riders
  - Tactic 4.3: Analyze route data to improve transit performance
  - Tactic 4.4: Improve data sharing and access mobility data from private providers

COMMITTEE PROCESS
RTAG: May 19, 2026, for information
TMC/RMC: June 3, 2026, approved
Boards of Directors: June 18, 2026, for action

CONTACT
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Director, Information Technology (interim), mmrocek@valleymetro.org

ATTACHMENT
None

Background Information

Valley Metro procures smaller-scale software, hardware, and professional services through cooperative contracts, enabling us to compare pricing across multiple sources and select the most cost-effective option. Significant or industry-specific procurements are typically conducted through a formal solicitation process. Each project is individually assessed to determine the most appropriate and efficient procurement strategy.

In Fiscal Year 2022 the IT department began presenting all on-going professional services contracts that require authorization in a single annual memo. This approach frees up valuable time on Board agendas, allows the Board to easily differentiate new services from continuing operations, and provides the Board with a holistic view of the Valley Metro IT Department's use of professional services. New initiatives involving professional services requiring authorization continue to be brought to the board individually.

As IT goods and services are purchased by virtually all Arizona public entities, Valley Metro obtains the best volume discounts by utilizing statewide cooperative contracts. In many cases, these contracts can be utilized on a year-to-year basis. In a few cases, however, multi-year agreements are necessary to obtain the best prices. As a result, in order to provide the Board with a holistic view of the IT Department's use of professional services, this memo includes both services for which new single- or multi-year authorization is needed and services with existing previous Board authorizations. All three categories are detailed the tables below:

Single-Year Authorization Request	FY 2025 Actuals	FY 2026 Est.[1]	FY 2027 Budget	Purchase Order (PO) or Contract
Amazon Web Services	$16,431	$20,459	$33,500	PO FY27
Digital Accessibility Auditing Services	$28,535	$30,520	$30,000	PO FY27
Kirschbaum Development Services	$81,383	$114,289	$119,600	PO FY27
Managed Audio/Visual Services	$62,921	$230,520	$30,000	PO FY27
Managed Print Services	$122,389	$165,510	$119,900	PO FY27
Oracle Mission Critical Services	$47,775	$48,715	$50,000	PO FY27
Telecommunications Managed Services	$233,652	$380,000	$380,000	PO FY27
Single-Year Subtotal	**$593,086**	**$989,013**	**$763,000**	

[1] Actuals in this instance includes fiscal year Q1 – Q3 actual spend, but estimated spend for Q4

Existing Authorization	FY 2025 Actuals	FY 2026 Est.[1]	FY 2027 Budget	FY 2028 Request
Security Operations Center and Incident Response Services	$149,000	$149,000	$150,000	*Re-auth*
Multi-Year Subtotal	$149,000	$149,000	$150,000	**-**

	FY 2026	FY 2027	FY 2028
Requested Authorization	**$989,013**	**$763,000**	**$-**
Combined Total Authorization	*$1,138,013*	*$913,000*	*$-*

Information Technology uses professional services in three circumstances:
- When specific technical skills are needed on a less than a full-time basis
- When the service required benefits from economies of scale and can therefore be provided more cost effectively by a larger firm than in-house
- When the need for a service is expected to vary, and the use of a contract enables the Valley Metro to match the supply to the demand.

Single-Year Authorization

Amazon Web Services
For Fiscal Year 2027, the agency plans to migrate its website hosting production and development environments from DigitalOcean to AWS. This migration will improve scalability and enhance security capabilities that are not currently available through the existing website hosting provider. Costs are anticipated to increase due to the planned hosting migration.

Digital Accessibility Auditing Services
Deque provides accessibility review and auditing for the mobile app and website platforms against the Web Content Accessibility Guidelines standard to ensure compliance with the Americans with Disabilities Act. These services are procured annually through SHI International Corp and Fiscal Year 2027 costs are anticipated to remain flat.

Kirschbaum Development Services
Kirschbaum Development Services provides scalable, specialized web development support for major strategic initiatives and complex technical projects that exceed internal capacity or require additional technical capabilities. These services are procured annually through SHI International Corp and Fiscal Year 2027 costs are anticipated to increase as a result of the planned website hosting migration and website redesign.

Managed Audio/Visual Services
Immedia provides design, sourcing and installation services for agency A/V equipment, along with monitoring, proactive maintenance, and priority repair services with a guaranteed two-hour response time. Valley Metro has contracted with Immedia Integrated Technologies for support of the agency's audio/visual systems for the better part of a decade. Fiscal Year 2027 cost is anticipated to decrease by 87% to maintenance and support only mode.

Managed Print Services
Valley Metro contracts with Imagine Technologies for maintenance and repair services, parts, and supplies needed to operate the Agency's fleet of printers and copiers. Valley Metro also procures new units through this partnership, along with installation and configuration services for large multi-function printers. These services are procured directly from Imagine Technologies with Fiscal Year 2027 costs anticipated to decrease by 28% to maintenance and support only mode.

Oracle Mission Critical Services
Valley Metro contracts with Oracle for advanced technical support for their Fusion Cloud Enterprise Resource Planning platform. These services included evolving integrations with other systems (e.g. ADP Payroll and Trapeze Enterprise Asset Management), testing of quarterly updates and resolution of any discovered issues, 24x7x365 mission-critical support, report and dashboard development/maintenance, and various other items that allow the system to be effectively managed with only a single devoted FTE. These funds will continue that support as we integrate with additional systems to automate labor-intensive workflows and customize the system for ease of use. Services are procured directly from Oracle and Fiscal Year 2027 cost is expected to remain mostly flat.

Telecommunications Managed Services
Valley Metro contracts with Hye Tech Network & Security Solutions to provide managed networking and telephony services. Hye Tech provides a team of experts with a wide range of skills available 24x7x365 including proactive monitoring and alerting. This approach is preferable to achieving the same scope of coverage by adding multiple staff FTEs as it provides greater support and skill set availability at a lower cost. These services are procured directly from Hye Tech and the cost is expected to remain flat for Fiscal Year 2027.

<u>Existing Authorization</u>

Security Operations Center (SOC) and Incident Response (IR) Services
Valley Metro contracts with Kudelski to provide 24x7x365 cybersecurity monitoring, alerting, and first-tier incident response for the agency's IT systems.

PROCUREMENT INFORMATION
The professional services will be procured through various cooperative contracts to ensure a competitively negotiated price and leverage the better volume discounts available through the contracts. If a different combination of vendor and Procurement-approved cooperative contract vehicle is identified that offers more advantageous pricing or better performance, that

vendor/cooperative vehicle combination may be used in place of those listed below in order to realize that value.

Vendor	Cooperative Vehicle	Contract #
Hye Tech	Arizona State Procurement Office	CTR059868
Imagine Technologies	Arizona State Procurement Office	CTR069921
Immedia	Arizona State Procurement Office	ADSPO17-184595
Info-Tech Research Group	Arizona State Procurement Office	CTR053238
QCM Technologies	Mohave Education Service Cooperative	23H-QCM-0131
SHI	Omnia Partners	2024056-02

FY27 Information Technology Professional Services Re-authorization

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Background

- IT professional services include:
  - Digital ADA accessibility auditing
  - Audio/Visual (AV) equipment installation and maintenance
  - Managed printer services
  - Advanced software and hardware support services
- Fiscal Year 2027 costs are projected to decrease by $238,300 (22%.)

2

VALLEY METRO

2

Recommendation

Authorization for the Chief Executive Officer to procure necessary information technology professional services in an amount not to exceed $839,300 for the period of July 1, 2026, through June 30, 2027.

Executive Summary

AGENDA ITEM 5

DATE
June 11, 2026

SUBJECT
FY27 Information Technology Hardware and Maintenance Re-authorization

COST AND BUDGET
Cost for the full term is $1,347,360, plus a contingency of $134,736 or 10% of the full-term cost. The aggregate contract value will not exceed $1,482,096. The split is approximately $678,680 for RPTA and $668,680 for VMR.

For FY27, the contract obligation is incorporated into the proposed FY27 budget. Contract obligations beyond FY27 are incorporated into the Agency's Five-Year Operating Forecast and Capital Program (FY26 through FY30).

The sources of funds are Public Transportation Funds, federal grants and member cities.

RECOMMENDATION
Authorization for the Chief Executive Officer to continue procuring necessary information technology hardware and maintenance agreements in an amount not to exceed $1,482,096 for the period of July 1, 2026, through June 30, 2027.

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals and strategies in the Five-Year Strategic Plan,

- Goal 1: Deliver excellent customer experience
    - Tactic 1.1: Incorporate human-centered design principles and practices
    - Tactic 1.2: Prioritize a unified customer experience across modes
- Goal 4: Leverage industry best practices and innovations on data and technology
    - Tactic 4.1: Improve automation and reliability of transit data
    - Tactic 4.2: Use enterprise capture and data analysis to better serve riders
    - Tactic 4.3: Analyze route data to improve transit performance
    - Tactic 4.4: Improve data sharing and access mobility data from private providers

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ATTACHMENT
None

Background Information

Valley Metro procures smaller-scale software, hardware, and professional services through cooperative contracts, enabling us to compare pricing across multiple sources and select the most cost-effective option. Significant or industry-specific procurements are typically conducted through a formal solicitation process. Each project is individually assessed to determine the most appropriate and efficient procurement strategy.

In Fiscal Year 2022 the IT department began presenting all on-going hardware and maintenance agreements that require re-authorization in a single annual memo. This approach frees up valuable time on Board agendas, allows the Board to easily differentiate new services from continuing operations, and provides the Board with a holistic view of Valley Metro's use of hardware. New initiatives involving hardware purchases or hardware maintenance agreements requiring authorization continue to be brought to the board individually.

As IT goods and services are purchased by virtually all Arizona public entities, Valley Metro obtains the best volume discounts by utilizing statewide cooperative contracts. In many cases, these contracts can be utilized on a year-to-year basis. In a few cases, however, multi-year agreements are necessary to obtain the best prices. As a result, to provide the Board with a holistic view of Valley Metro's use of hardware, this memo includes both hardware for which new single- or multi-year authorization is needed and hardware with existing previous Board authorizations. All three categories are detailed in the tables below:

Single-Year Authorization Request	FY 2025 Actuals	FY 2026 Est.[1]	FY 2027 Budget	Purchase Order (PO) or Contract
Cisco SmartNET	$223,100	$253,131	$278,600	PO FY27
End User Computer Equipment	$913,746	$437,798	$252,060	PO FY27
F5 Load Balancer	$39,872	$40,055	$41,000	
Secondary Storage Infrastructure & Maintenance	$88,459	$88,459	$40,700	PO FY27
EOL Network Devices	$-	$-	$50,000	PO FY27
Firewalls	$-	$-	$685,000	PO FY27
Single-Year Subtotal	**$1,265,177**	**$819,443**	**$1,347,360**	

<u>Single-Year Authorization</u>

Cisco SmartNET

Cisco's SmartNET provides ongoing operating and security updates for Valley Metro's network and telephone equipment, next-business-day hardware replacement if a component or device access to the extensive Cisco.com online knowledgebase, resources, and tools. SmartNET equipment maintenance plans have covered Valley Metro's routers, switches, firewalls, video conferencing equipment, and telephony equipment for over a decade. SmartNET is renewed annually through HyeTech Network and Security Solutions and is anticipated to increase 10% in Fiscal Year 2027 due to a combination of initial purchase coverage expiring on newer equipment and price increases.

End User Computer Equipment

Valley Metro's IT department purchases most end-user equipment through Dell, Inc. This includes desktops, laptops, tablets, docking stations, monitors, keyboards and mice, headsets, and web cameras. The end user equipment will be purchased annually from Dell directly. A 42% decrease is projected for Fiscal Year 2027 as we come to the close of the 5-year refresh cycle for the laptops purchased prior to the pandemic.

F5 Load Balancer

The F5 platform manages and balances incoming traffic to our network across systems to prevent overload, improve performance, and maintain uptime.

In addition to traffic management, F5 provides key security functions—protecting against common web threats, filtering malicious activity, and helping safeguard sensitive data. It also enables us to standardize how applications are published and accessed, reducing complexity for both users and IT operations.

Secondary Storage Infrastructure & Maintenance

This covers hardware, ongoing operating and security updates, next-business-day part replacement for failed equipment, and 24x7x365 access to technical support engineers for Valley Metro's secondary data storage. These storage devices are used to hold data for systems that are used regularly but where responsiveness is less of a factor such as vehicle incident videos, service planning modelling data, and information security logs. Ongoing maintenance and support is procured annually after initial three-year period from HyeTech Network & Security Solutions, anticipated costs are to remain flat through Fiscal Year 2027.

End of Life Network Devices

The agency relies on switches and routers to maintain reliable and secure network connectivity. Many of these devices are reaching end-of-life and will no longer receive vendor support, updates, or security patches. Continuing to use unsupported equipment increases the risk of outages and vulnerabilities. Replacing these devices ensures a stable, secure, and supportable network infrastructure. This includes 3 network switches and 2 network router replacements.

Firewalls

The agency relies on Cisco perimeter firewalls to protect its network from external threats and control access to internal systems. These firewalls are reaching end-of-life, meaning they will no longer receive security updates, patches, or vendor support. Continuing to operate unsupported equipment increases the risk of vulnerabilities being exploited and may impact compliance and reliability. Replacing the Cisco firewalls in the next fiscal year is necessary to maintain a secure, supported, and resilient network environment, with new firewalls typically providing a supported lifecycle of approximately 5 years.

PROCUREMENT INFORMATION
The hardware and maintenance agreements will be procured through various cooperative contracts to ensure a competitively negotiated price and leverage the better volume discounts available through the contracts. If a different vendor on the below list, or a different Procurement-approved cooperative vehicle provided by one of the vendors listed below offers a more advantageous price, that vendor/cooperative vehicle combination may be used to realize those savings.

Vendor	Cooperative Vehicle	Contract #
Dell	Arizona State Procurement Office	CTR068890
DH Pace	Arizona State Procurement Office	CTR056381
HyeTech	1 Government Procurement Alliance	22-02PV-08

FY27 Information Technology Hardware and Maintenance Re-authorization

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Background

- Purchase, maintenance, and replacement of networking, storage, building security, and end-user equipment (e.g. laptops, phones)

- Fiscal Year 2027 costs are projected to increase by $105,196 (+7%)
- Increase in budget is primarily driven by end-of-life firewall and network device replacement ($735,000)

2

VALLEY METRO

2

Recommendation

Authorization for the Chief Executive Officer to continue procuring necessary information technology hardware and maintenance agreements in an amount not to exceed $1,482,096 for the period of July 1, 2026, through June 30, 2027.

Executive Summary

DATE **AGENDA ITEM 6**
June 11, 2026

SUBJECT
FY27 Annual and Multi-Year Software Subscription and Maintenance Purchases Re-authorization

COST AND BUDGET
The FY27 annual software renewal cost is $3,740,140, and the multi-year renewal cost is $704,442, plus a contingency of $444,458 or 10.0% of the total cost. The aggregate contract value will not exceed $4,889.040. The split is approximately $2,500,891 for RPTA and $1,943,691 for VMR.

For FY27, the contract obligation is incorporated into the proposed FY27 budget. Contract obligations beyond FY27 are incorporated into the Agency's Five-Year Operating Forecast and Capital Program (FY26 through FY30).

The sources of funds are Public Transportation Funds, federal grants and member cities.

RECOMMENDATION
Authorization for the Chief Executive Officer to procure necessary software subscriptions and maintenance agreements in an amount not to exceed $4,889,040 for the period of July 1, 2026, through June 30, 2029.

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals and strategies in the Five-Year Strategic Plan,

- Goal 1: Deliver excellent customer experience
  - Tactic 1.1: Incorporate human-centered design principles and practices
  - Tactic 1.2: Prioritize a unified customer experience across modes
- Goal 4: Leverage industry best practices and innovations on data and technology
  - Tactic 4.1: Improve automation and reliability of transit data
  - Tactic 4.2: Use enterprise capture and data analysis to better serve riders
  - Tactic 4.3: Analyze route data to improve transit performance
  - Tactic 4.4: Improve data sharing and access mobility data from private providers

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CONTACT
Matus Mrocek, Director, Information Technology (interim)
mmrocek@valleymetro.org

ATTACHMENT
None

Background Information

Valley Metro procures smaller-scale software, hardware, and professional services through cooperative contracts, enabling us to compare pricing across multiple sources and select the most cost-effective option. Significant or industry-specific procurements are typically conducted through a formal solicitation process. Each project is individually assessed to determine the most appropriate and efficient procurement strategy.

In Fiscal Year 2022 the IT department began presenting all on-going software subscriptions and maintenance agreements that require authorization in a single annual memo. This approach frees up valuable time on Board agendas, allows the Board to easily differentiate new services from continuing operations, and provides the Board with a holistic view of Valley Metro's use of software. New initiatives involving software subscriptions or software maintenance agreements requiring authorization continue to be brought to the board individually.

As IT goods and services are purchased by virtually all Arizona public entities, Valley Metro obtains the best volume discounts by utilizing statewide cooperative contracts. In many cases, these contracts can be utilized on a year-to-year basis. In a few cases, however, multi-year agreements are necessary to obtain the best prices. As a result, to provide the Board with a holistic view of Valley Metro's use of software, this memo includes both software for which new single- or multi-year authorization is needed and software with existing previous Board authorizations. All three categories are detailed in the tables below:

Single-Year Authorization Request	FY 2025 Budget	FY 2026 Est.[1]	FY 2027 Budget	Purchase Order (PO) or Contract
Abnormal	$45,635	$50,123	$55,200	PO FY27
Adobe Suite	$75,572	$86,320	$80,400	PO FY27
Alesig Customer Assistance System (CAS) RPTA	$53,666	$59,223	$56,400	PO FY27
AlphaVu	-	$170,004	$170,100	PO FY27
Artificial Intelligence Tools	-	$64,157	$300,000	PO FY27
Asana	$40,221	$43,315	$47,300	PO FY27
Automated Speech Recognition RPTA	$112,884	$118,515	$112,900	PO FY27
Bynder	$36,854	$36,944	$39,000	PO FY27
Customer Assistance AI Chatbot	-	$15,250	$100,000	PO FY27
Data Classification and Governance Software	-	-	$62,500	PO FY27

[1] The "Fiscal Year 2026 Est." column is Q1 – Q3 actuals plus Q4 estimates

Demisto	$63,677	$67,364	$70,700	PO FY27
Google Maps APIs[RPTA]	$96,000	$96,200	$104,800	PO FY27
LawVu	$40,837	$43,793	$46,000	PO FY27
Manage Engine	$80,211	$89,511	$101,970	PO FY27
NextRide[RPTA]	$63,600	$63,600	$63,600	PO FY27
Oracle Aconex[VMR]	$377,902	$332,243	$350,000	PO FY27
Oracle ERP	$386,682	$467,000	$472,000	PO FY27
RideCo[RPTA]	$118,899	$939,970	$312,600	PO FY27
Synario	-	$89,970	$89,970	PO FY27
Swiftly	$613,657	$613,290	$614,000	PO FY27
Tenable.io	$47,562	$49,602	$53,600	PO FY27
Trackforce Valiant[VMR]	$58,556	$122,405	$131,600	PO FY27
Twilio SMS Short Code[RPTA]	$29,947	$28,363	$30,000	Contract 1Y
Webex Contact Center	$36,101	$191,055	$168,800	PO FY27
Workfront[RPTA]	$46,325	$45,853	$49,400	PO FY27
Workiva	$49,828	$53,233	$57,300	PO FY27
Single-Year Subtotal	**$2,474,616**	**$3,895,205**	**$3,740,140**	

Multi-Year Authorization Request	FY 2025 Actuals	FY 2026 Est.[1]	FY 2027 Budget	FY 2028 Request	FY 2029 Request	Purchase Order (PO) or Contract
OpenGov	*$92,600*	$97,460	$122,808	$122,808	$122,808	Contract 3Y
Remix	*$84,810*	$70,200	$104,520	$111,800	$119,698	Contract 3Y
Multi-Year Subtotal	***$177,410***	**$167,660**	**$227,328**	**$234,608**	**$242,506**	

Existing Authorization	FY 2025 Actuals	FY 2026 Est.[1]	FY 2027	FY 2028	FY 2029	Purchase Order (PO) or Contract
Cisco Collab. Flex Plan	*$0*	$173,300	$0	$0	Re-auth	Contract 3Y
Cisco Security EA	*$229,426*	$263,900	$263,900	$263,900	Re-auth	Contract 3Y
Eleveo[RPTA]	*$5,906*	$406,800	$0	$0	Re-auth	PO FY26
Esri GIS EA	$124,587	$144,481	$132,400	*Re-Auth*		Contract 3Y
Microsoft EA	$417,284	$527,000	$527,000	$527,000	Re-auth	Contract 3Y
Origami Risk	$570,817	$252,717	$281,300	*Re-Auth*		Contract 3Y
Trapeze EAM[VMR]	$514,582	$516,166	$531,000	$557,600	Re-auth	Contract 5Y
VMware	$53,345	$53,345	$53,345	*Re-Auth*		Contract 3Y
Existing Subtotal	**$1,915,947**	**$2,337,709**	**$1,788,945**	**$1,348,500**		

	FY 2025	FY 2026	FY 2027
Authorization Requested	**$2,652,026**	**$4,062,865**	**$4,443,582**
Combined Total Authorization	*$4,567,973*	*$6,400,574*	*$6,232,527*

Single-Year Authorization

Abnormal Security
Abnormal Security protects our organization from sophisticated email-based threats such as phishing and impersonation attacks, which are the most common entry point for cyber incidents. It uses advanced analytics to identify unusual or suspicious messages that may appear legitimate and automatically removes them before staff can interact with them. This helps reduce the risk of financial fraud, data breaches, and account compromise while requiring minimal disruption to day-to-day operations. Abnormal Security is procured annually through CDW-G., with costs anticipated to have a minor increase in Fiscal Year 2027.

Adobe Suite
The Adobe Suite is a collection of 20+ applications and services used by staff in various departments[2] to create print and digital media (photos, videos, digital documents, web content, social media content, brochures, posters, signage, advertising, etc.). One component, Adobe Document Cloud, is used agency-wide for creating and editing PDF files, publishing digital forms, and signing documents electronically. The Adobe Suite is procured annually through CDW-G., with costs anticipated to remain flat, even with the addition of Artificial Intelligence in the Adobe Creative Suite and Adobe Acrobat AI in Fiscal Year 2027.

Alesig Customer Assistance System (CAS)
Valley Metro's Customer Service team uses Alesig's CAS software to record, track, share, process, and report on customer complaints. CAS is purchased directly from Alesig Consulting, LLC with costs expected to remain flat in Fiscal Year 2027.

AlphaVu
Valley Metro uses AlphaVu's DataVu platform to aggregate and analyze customer sentiment, engagement, and operational data from multiple sources, enabling staff to generate insights that inform decision-making, communications, and service improvements. Enhanced capabilities such as natural language querying ("Ask Your Data") have expanded access to analytics across the organization, strengthening the agency's ability to proactively respond to rider needs and improve overall performance. Costs expected to remain flat in Fiscal Year 2027.

[2] Marketing, Communications, Community Relations, and Graphic Design

Artificial Intelligence Tools
Valley Metro began using ChatGPT as an approved generative AI tool on April 13, 2026 to improve employee productivity, streamline workflows, and support decision-making across departments. The tool is applied to a range of routine and analytical tasks, including drafting communications, summarizing information, generating content, and supporting technical work. All usage is governed by the agency's AI Acceptable Use Policy to ensure appropriate controls around data protection, security, and responsible use.

The requested increase in funding authorization reflects higher-than-initially-estimated adoption levels and the expectation of continued growth in AI utilization across the organization. This adjustment will ensure sufficient capacity to support expanding use cases while maintaining compliance with established governance standards. The agency will also evaluate return on investment (ROI) throughout the fiscal year to assess effectiveness and inform future funding decisions.

Asana
Asana is used by staff in various departments[3] to assign, track, and manage tasks and projects. Asana is procured annually through SHI International Corp., with costs anticipated to slightly increase in Fiscal Year 2027.

Automated Speech Recognition (ASR)
Google's ASR services allow the Regional Customer Service Call Center to handle 40% of basic customer inquiries directly without requiring the involvement of a Customer Service Representative (CSR), saving man-hours equivalent to just under 9 FTE annually over the last three years on average. Google's ASR services and support by Workflow Concepts are procured annually through SHI International Corp, with costs anticipated to remain flat in Fiscal Year 2027.

Bynder
Bynder is a digital asset management (DAM) platform that helps the agency centralize and manage digital content, including images, videos, documents, and more. It offers features for organizing, transforming, and distributing assets, ensuring brand consistency and streamlining workflows for marketing, communications and agency vendor teams. Bynder is procured annually through SHI International Corp., with costs anticipated slightly increase in Fiscal Year 2027.

Customer Assistance AI Chatbot
Valley Metro has deployed an AI-powered chatbot across its website and mobile platforms to provide real-time customer support, with an initial focus on trip planning and rider information. Following internal testing and iterative improvements, the chatbot leverages agency website content and service data to deliver automated, accessible responses, enhancing customer

[3] IT, Administrative Support Services & Project Management, Human Resources, Community Relations, and the Transit Asset Management group in Operations among others

experience, improving service accessibility, and driving operational efficiency. The current partial-year implementation is transitioning to a full-year production deployment; however, total costs remain variable at this stage due to uncertainty in anticipated utilization levels.

Data Classification and Governance Software
Valley Metro is implementing data classification and governance software to strengthen its data security posture by identifying, categorizing, and managing sensitive information across systems. These tools enable the agency to enforce access controls, monitor data usage, and ensure compliance with security and regulatory requirements. This capability is particularly critical as AI adoption expands, ensuring that only appropriate, governed data is used in AI models and tools, reducing the risk of exposing sensitive information and supporting responsible, compliant use of artificial intelligence.

Demisto
Valley Metro's Information Security team uses Demisto as their ticketing system to track incident and investigation status. Demisto also allows the automation of various tasks such as threat intelligence lookup that significantly reduce the man-hours required each month for certain repetitive processes such as reviewing and assessing reported phishing emails. Demisto is procured annually through CDW-G with costs expected to rise slightly in Fiscal Year 2027 due to annual price increases.

Google Maps APIs
Google Maps APIs are the core technology behind the trip planning features of our website. API access is procured through CDW-G and usage is expected to remain mostly flat in Fiscal Year 2027. While usage credits are purchased up front, any credits not used in Fiscal Year 2027 will roll over into Fiscal Year 2028.

LawVu
LawVu is used by Valley Metro's Legal function to manage ongoing litigation, document review (e.g. contracts, inter-governmental agreements, non-disclosure agreements, etc.), and other legal matters. LawVu is procured annually through CDW-G, and the Fiscal Year 2027 renewal cost is expected to rise slightly due to annual cost increase.

Manage Engine
ManageEngine is a suite of tools used by IT for various service management tasks including to assign and track service requests, trouble tickets, and changes, identify underlying problems driving multiple tickets, manage assets, mobile devices, user accounts, and user access, monitor networks, deploy and update software automatically and remotely, secure third-party browsers like Chrome and Firefox, and perform security auditing. ManageEngine is procured annually through Northwind Ventures, Inc., with Fiscal Year 2027 costs anticipated to rise due to addition of the Enterprise Asset Management team use of the system for the EAM system issue tracking.

NextRide

The NextRide platform provides customers with real-time next arrival times for any selected station via SMS text, phone (IVR), and the website. NextRide is purchased directly from Alesig Consulting, LLC with cost expected to remain roughly flat in Fiscal Year 2027.

Oracle Aconex

Capital Development uses Aconex as their project control, process control, document management, and backup solution for Valley Metro's capital projects. Oracle Aconex is purchased through DLT Solutions, LLC. Renewal costs are determined by the capital value of JOC projects, including project closeouts and preconstruction activities for the new extension.

Oracle Enterprise Resource Planning (ERP)

Valley Metro's Oracle ERP system ("Core") serves as the agency's enterprise platform for financials, procurement, and human resources, providing an integrated system to manage budget, purchasing, contracts, and workforce operations. By centralizing these core business functions, the system standardizes processes, improves data accuracy, and supports efficient reporting and compliance across the organization. The increase in costs from FY25 to FY26/27 reflects added licensing for the Fusion Data Intelligence module—providing prebuilt analytics, dashboards, and embedded Artificial Intelligence/Machine Learning capabilities—as well as higher licensing needs due to agency wide adoption of ERP and procurement modules (licensed for 30 users but supporting approximately 89), in addition to contracted 5% annual cost escalations.

RideCo

Valley Metro implemented RideCo as an on-demand transit platform to modernize paratransit and demand-response services, enabling more flexible, efficient, and customer-focused mobility solutions. The system supports dynamic trip scheduling, routing, and booking—integrated through web and mobile applications—while incorporating customer support tools and operational workflows to manage rider interactions and service delivery. RideCo replaced Trapeze Pass in Fiscal Year 2026, resulting in a year-over-year cost increase, followed by an approximate 67% decrease in Fiscal Year 2027.

Synario

Valley Metro has implemented Synario as a financial planning and modeling platform to support long-range capital and operating scenario analysis. The tool enables the agency to evaluate funding strategies, forecast financial impacts, and model different investment scenarios using data integrated from core systems such as Oracle ERP, improving accuracy and reducing reliance on manual spreadsheets. This capability strengthens strategic planning by providing a centralized, data-driven approach to financial decision-making and scenario evaluation.

Swiftly

Valley Metro's Transportation Division and the City of Phoenix Public Transit Department jointly selected Swiftly to provide fleet-wide real-time operational analytics and service performance reporting at the individual vehicle and operator level. Swiftly was originally procured under a two-year contract term, with the City of Phoenix Public Transit Department reimbursing Valley Metro, through an intergovernmental agreement, for costs associated with its portion of the fleet.

Due to the significant annual cost of the platform, Valley Metro proposes a one-year renewal for Fiscal Year 2027 to allow additional evaluation of the system's return on investment, organizational adoption, and the feasibility of leveraging existing enterprise systems and internally developed solutions to address operational and reporting needs.

Tenable.io
Valley Metro's Information Security team has used Tenable products to detect, track, and confirm remediation of vulnerabilities across Valley Metro's information systems since 2019. Tenable.io is procured annually through CDW-G, with Fiscal Year 2027 costs expected to slightly increase.

Trackforce Valiant
Valley Metro utilizes Trackforce Valiant's GuardTek platform as its centralized security workforce management system to support safety and security operations across the rail system. The platform enables real-time incident reporting, guard tour tracking, and activity logging, providing enhanced visibility into field operations and improving accountability for contracted security personnel. By digitizing reporting and integrating operational data, GuardTek supports more efficient oversight, faster response to incidents, and data-driven decision-making to strengthen system-wide security. The increase in GuardTek renewal costs in FY26 was primarily driven by Trackforce's restructuring of its licensing model. Costs for Fiscal Year 2027 are expected to remain flat, contingent on no changes to security staffing levels or system utilization.

Twilio
Twilio's cloud communications platform-as-a-service provides Valley Metro with a 5-digit short code through which Valley Metro may communicate with the ridership using SMS messaging. This functionality enables customers who can't or won't install Valley Metro's mobile apps to communicate with the NextRide and AlertVM platforms using SMS text messaging, as well as to receive notifications and route alerts from the RideText SMS alert system. This service is procured directly from Twilio and usage is expected to stay flat year-over-year.

Webex Contact Center (formally called Cisco UCCX)
Valley Metro utilizes UCCX as part of its Cisco-based enterprise call system to manage and route rider communications across channels, including phone and digital interactions. Integrated within the broader Cisco telephony environment, the platform enables intelligent call routing, agent support tools, and performance analytics to improve response times, service quality, and operational visibility. This unified approach centralizes customer interactions within a modern cloud-based contact center solution, enhancing the agency's ability to deliver consistent, efficient, and scalable customer support Costs have leveled off year over year

following the move to the cloud-based version; the prior year increase was due to the transition from on-premises to cloud licensing.

Workfront
Workfront is the job management software used by Valley Metro's Marketing team to intake, track, assign, collaboratively proof, and measure the cycle time of its production tasks and campaigns. Workfront is procured annually through SHI International Corp., with FY 2026 renewal costs anticipated to increase 5% due to price increases.

Workiva
Finance uses this software to produce the Annual Comprehensive Financial Reports (ACFR) for both RPTA and VMR. Workiva is procured annually through SHI International Corp, with renewal costs anticipated to increase in Fiscal Year 2027 based on prior year price increases.

Multi-Year Authorization

OpenGov[4]
The OpenGov platform provides the agency with a unified solution for procurement and contract lifecycle management, including solicitations, supplier engagement, evaluations, requests, and contract administration. OpenGov is procured through OpenGov, Inc., with licensing costs anticipated to increase in Fiscal Year 2027.

In Fiscal Year 2025, the agency utilized a cooperative purchasing contract through the Texas Cooperative Purchasing Network; however, that agreement did not include all required functionality, specifically the requests module. In Fiscal Year 2026, the agency sourced an additional cooperative contract to obtain access to the full suite of functionality necessary to effectively utilize the platform. The addition of the requests module represents the primary driver of the increase in licensing costs between Fiscal Year 2025 and Fiscal Year 2027. For Fiscal Year 2027, the agency proposes consolidating all OpenGov functionality under a single contract to improve administrative efficiency and streamline licensing management.

Remix[5]
Remix allows Service Planning to perform on-the-fly route design, as well as modify existing transit routes to create complex service planning scenarios and communicate those scenarios visually, quickly, and clearly to elected officials, member agency staff, stakeholders, and the public. Remix is procured on a triennial basis and paid annually, with recent cost increases driven by vendor pricing adjustments.

Existing Authorization

[4] October 2023 Joint agenda item #04B
[5] June 2023 Joint agenda item #07E

Cisco Collaboration Flex Plan
Cisco's Collaboration Flex Plan covers the licensing for Valley Metro's phone system, Webex Meetings teleconferencing platform, and the Webex Teams instant messaging and collaboration platform. The Cisco Flex Plan is procured through Hye-Tech Network and Security Solutions triennially, with a 12.5% cost increase anticipated at renewal.

Cisco Security Enterprise Agreement (EA)
Valley Metro uses the following Cisco products as part of its "defense in depth" cybersecurity stance: firewalls, virtual private network, multi-factor authentication, network access policy enforcement, enterprise network security for remote users and sites, web security and content management, email security and malware threat defense, and threat intelligence and analysis. The Cisco EA is procured through Hye-Tech Network & Security Solutions with an anticipated cost increase of 12.5% at renewal.

Eleveo
Valley Metro's Customer Service team uses Eleveo in the regional call center for agent scheduling, quality assurance, and performance reporting. Several other groups[6] also make use of Eleveo for quality assurance and call recording in situations where the conversation may become relevant in law enforcement or legal actions. Eleveo was implemented in FY 2023 and was expanded to cover the new ATS Reservation Call Center in FY 2024. Eleveo is procured through Hye-Tech Network & Security solutions, renewed triennially and paid up front, with the cost for the next three-year period anticipated to increase 21% over the prior three-year period due to inflation and the planned adoption of new features (e.g. AI) over the period requiring additional licensing.

Esri Geographical Information Systems (GIS) Enterprise Agreement[7]
GIS is a suite of software programs for organizing and displaying information on maps. Valley Metro uses GIS throughout its processes from planning and design through survey and construction management to operations and maintenance to facilitate greater efficiency and informed decision making. GIS is used to inform, monitor, and manage transportation planning. It aids in determining capacity enhancements, operational improvements, and identifying strategic investments to keep the transit system running optimally. In addition, essential economic, demographic, and cost estimate data can be quickly provided and analyzed for planning new routes or analyzing existing routes. The GIS EA is procured directly from Esri and is renewed triennially, with the next renewal in Fiscal Year 2028.

Microsoft Enterprise Agreement (EA)
This three-year software agreement provides Valley Metro with office productivity software (Microsoft Office), project management software, flowcharting and diagramming software, email and calendaring software, database system software, online document collaboration, secure file sharing, secure public-facing application publishing, application single-sign-on,

[6] Accessible Transit Services, Transit Security, and the Bus Operations Control Centers at EVBOM and MTF
[7] June 2024 Joint agenda item #06

long-term off-site backup storage, and desktop and server operating systems. The Microsoft EA is procured triennially and paid annually, and starting in Fiscal Year 2026 the cost has increased 21% at renewal due to an anticipated 12.5% adjustment for the triennial renewal and the remainder for Power BI licensing to allow the transition from Tableau to Power BI as the agency's primary reporting tool. This portion of the increase will be offset in Fiscal Year 2027 and beyond as Tableau has been discontinued.

Origami Risk[8]
Origami Risk is a Governance, Risk, & Compliance (GRC) software package used by Legal, Human Resources, Safety & Security, Internal Audit, and Information Security to track, manage, and report on different types of risks (e.g. environmental, health, safety, legal, cybersecurity, etc.) and regulatory compliance. Origami Risk is procured directly from Origami, renewed triennially and paid annually.

Trapeze Enterprise Asset Management (EAM)
Trapeze EAM is Valley Metro's tool for managing the maintenance of the agency's physical assets (e.g., buses, light rail vehicles, facilities, track, etc.) throughout each asset's lifecycle. This five-year contract with Trapeze will be up for renewal in Fiscal Year 2030.

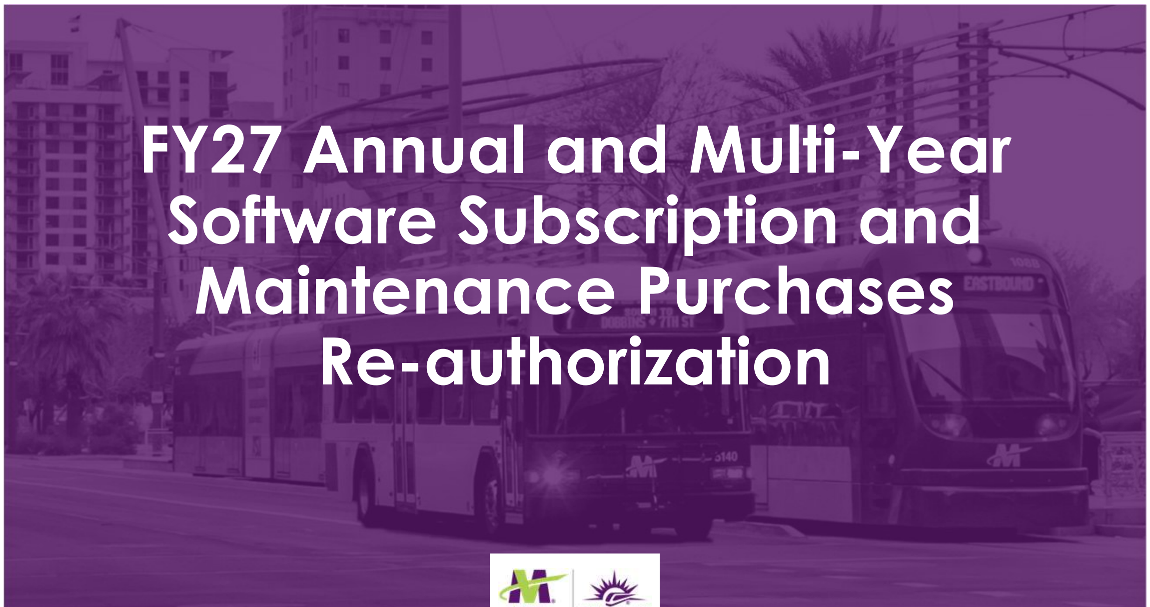
VMware
VMware is Valley Metro's server virtualization platform, allowing the IT department to run 206 virtual servers and appliances while only needing to procure and maintain 14 physical machines. With the acquisition of VMware by Broadcom, VMware is now procured triennially and paid up front.

PROCUREMENT INFORMATION
The software subscriptions and maintenance agreements will be procured through the vendors and cooperative contracts listed below to ensure a competitively negotiated price and leverage the better volume discounts available through the contracts. If a different vendor on the below list, or a different Procurement-approved cooperative vehicle provided by one of the vendors listed below offers a more advantageous price, that vendor/cooperative vehicle combination may be used to realize those savings.

Vendor	Cooperative Vehicle	Contract #
Alesig Consulting, LLC	GSA Schedule 70	GS-35F-0576W
ANM	Arizona State Procurement Office	CTR059864
Carahsoft Technology	Arizona State Procurement Office	CTR046098
CDW-G	Arizona State Procurement Office OMNIA Partners	CTR070896 2024056-1
DLT Solutions, LLC	OMNIA Partners	180233-001
Esri	Arizona State Procurement Office	ADSPO15-097108

[8] August 2024 Joint agenda item #04

HyeTech	1 Government Procurement Alliance	26-02PV-04
Insight Public Sector	Arizona State Procurement Office	CTR069959
Northwind Technologies	GSA Schedule 70	47QTCA19D009H
OpenGov, Inc.	Arizona State Procurement Office	CTR046098
Origami Risk	S.A.V.E.	171170-VM 2024-302
QCM Technologies	Mohave Education Service Co-op.	23H-QCM-0131
SHI International Corp.	Arizona State Procurement Office OMNIA Partners	CTR072321 2024056-02
Trapeze Software Group	Direct Purchase	2024-213-NFT 24006-NFT
Twilio, Inc.	Direct Purchase	-

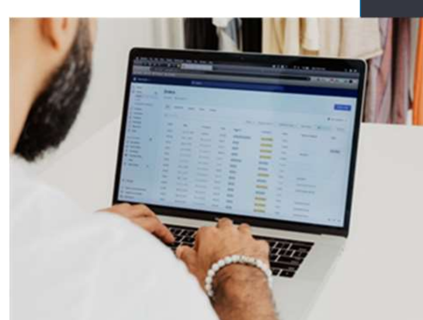


FY27 Annual and Multi-Year Software Subscription and Maintenance Purchases Re-authorization

1

Background

- Renewal of 27 software tools used across the agency
- Fiscal Year 2027 costs are projected to decrease $1,107,260 (18%)
- Included in the authorization is:
  - Up to $100,000 for Customer Assistance AI (Website and App ChatBot)
  - Up to $300,000 for Artificial Intelligence tools like ChatGPT
  - Up to $62,500 for a Data Classification and Governance solution to strengthen AI-related controls and safeguards.



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2

Recommendation

Authorization for the Chief Executive Officer to procure necessary software subscriptions and maintenance agreements in an amount not to exceed $4,889,040 for the period of July 1, 2026 through June 30, 2029.

3

VALLEY METRO

3

Executive Summary

DATE
June 11, 2026

AGENDA ITEM 7

SUBJECT
Operations Cleaning Services Contract Award

COST AND BUDGET
Cost for the initial term is $12,712,960, cost for all options years is $9,013,824, plus a contingency of $1,086,339 or 5% of the full term costs. The aggregate contract value will not exceed $22,813,123. The split is $142,006 for RPTA and $21,584,778 for VMR.

For FY27, the contract obligation is fully funded within the adopted FY27 Operating and Capital Budget. Contract obligations beyond FY27 are incorporated into the Agency's Five-Year Operating Forecast and Capital Program (FY26 through FY30).

The source of funds is member cities.

RECOMMENDATION
Authorization for the Chief Executive Officer to enter into a three-year contract with two one-year options to extend, with a primary award to ABM Industries Group, LLC, and a secondary award to Dexterra Services, LLC, for operations cleaning services, with an aggregate value of $22,813,123.

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals and strategies in the Five-Year Strategic Plan:

- Goal 8: Operational excellence
    - Tactic 8.2: Codify a comprehensive maintenance and operations program

COMMITTEE PROCESS
RTAG: May 19, 2026, for information
TMC/RMC: June 3, 2026, approved
Boards of Directors: June 18, 2026, for action

CONTACT
Rob Rosenberg
Deputy Chief, Rail Maintenance
rrosenberg@valleymetro.org

ATTACHMENT
A copy of the contract is available for review.

Background Information

BACKGROUND DISCUSSION
Valley Metro continues to have a need for cleaning of maintenance facilities, park-and-rides, passenger stations and support facilities along the light rail alignment and light rail vehicles. This work also covers the Valley Metro Mesa Bus Operations and Maintenance Facility.

The contractor shall provide all necessary vehicles, tools, supplies, materials and other related equipment required to perform the cleaning services defined in this contract. Services performed under this contract include a full range of cleaning services related to bus and light rail summarized below:

- Valley Metro Mesa Bus Operations and Maintenance Facility.
- Valley Metro Operations and Maintenance Center (OMC).
- Light rail park-and-ride lots and security kiosks, including street sweeping at park-and-rides.
- Light rail operator facilities at end-of-line stations.
- Cleaning of spills and litter removal from light rail vehicles during operating hours.
- Cleaning of artwork along the LRT alignment on a quarterly basis.
- Cleaning of light rail vehicles (nightly cleaning at OMC).
- Special event support.
- Tempe streetcar stops and light rail vehicles.

This item has been reviewed and approved by Valley Metro Rail Maintenance staff.

This item serves the Agency's strategic plan by codifying a comprehensive maintenance and operations program.

PROCUREMENT INFORMATION
A Request for Proposal procurement was processed in accordance with the Agency's Joint Procurement Manual.

Nine offerors submitted proposals deemed responsive and responsible. An evaluation committee of Valley Metro staff and member city staff evaluated those offers on the following criteria, with a maximum possible point total of 1,000:

- Qualifications and Experience of the Firm (0 – 225 points)
- Qualifications and Experience of Assigned Personnel (0 – 225 points)
- Understanding/Approach to Scope of Work (0 – 250 points)
- Price (0 – 300 points)

After reaching consensus, the evaluation committee recommends a primary award to ABM Industries Group, LLC, and a secondary award to Dexterra Services LLC based on the following results:

- ABM Industries Group, LLC 943.22 points
- Dexterra Services LLC 942.50 points
- BIO-Janitorial Service, Inc. 888.23 points
- DMS Facilities Services, LLC 847.47 points
- MasterCorp Commercial Services, LLC 827.68 points
- Desert Veterans, LLC 712.84 points
- Plan B Facilities Services, LLC 538.92 points
- TandW Finishing Touch Janitorial Services 478.74 points
- Providence BHF, LLC 467.82 points

CONTRACT TYPE AND TERM

The contract is a fixed-price contract. The contract will begin on or about July 1, 2026, for an initial three-year term with two one-year options to extend, for a maximum term of five years.

Operations Cleaning Services Contract Award

1

Coverage area

Light Rail:

- Alignment – 35 Miles
- 58 Passenger stations
- 12 Park and rides
- 5 Security offices
- 6 Operator facilities
- 30 Traction power substations
- 16 Signal buildings
- (OMC) Operations and Maintenance Center (4 Buildings)
- 60 LRV's per night

Bus:

- (MBOM) Mesa Bus Operations and Maintenance facility

2

2

Tempe Streetcar:

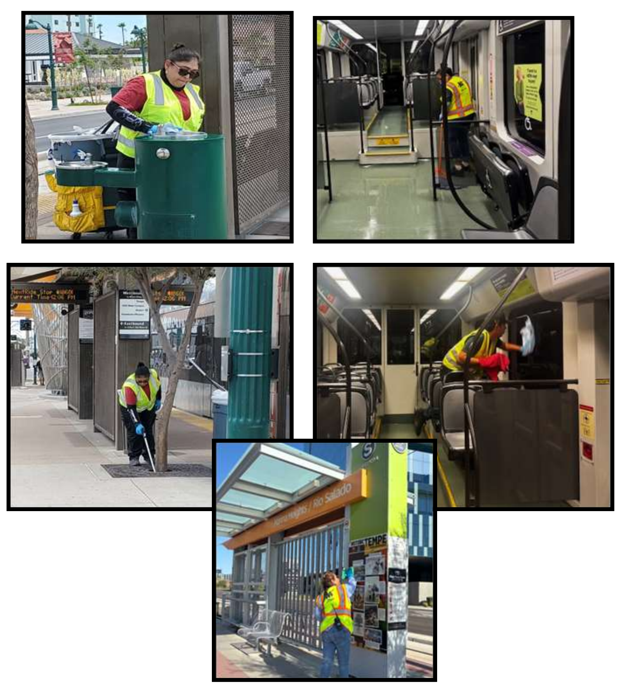
- Route - 3 Miles
- 14 Stops
- 1 Operator Facility
- 3 Traction power substations
- 1 Signal building
- 4-5 Streetcars per (night)

3

3

Cleaning Services

- Trash removal
- Litter pick up
- Graffiti removal
- Biohazard clean up
- Drug paraphernalia removal
- In service LRV/Streetcar cleaning
- After service LRV/Streetcar cleaning
- Janitorial services



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4

Light Rail Operations and Maintenance Center

Vehicle Cleaning Platform

Passenger station

Park and Ride

5

VALLEY METRO

5

Recommendation

Authorization for the Chief Executive Officer to enter into a three-year contract with two one-year options to extend, with a primary award to ABM Industries Group, LLC, and a secondary award to Dexterra Services, LLC, for operations cleaning services, with an aggregate value of $22,813,123.

6

VALLEY METRO

6

Executive Summary

DATE **AGENDA ITEM 8**
June 11, 2026

SUBJECT
Executive Session

PURPOSE
The Joint Boards may vote to enter Executive Session to discuss: (1) the Joint Board Subcommittee annual evaluation of Valley Metro's Chief Executive Officer and (2) the organizational chart for the agency, as authorized by A.R.S. Sections 38-431.03(A)(1) and (3).

RECOMMENDATION
Staff recommends voting to into Executive Session.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

CONTACT
Jessica Mefford-Miller
jmeffordmiller@valleymetro.org

ATTACHMENT
None

Executive Summary

DATE
June 11, 2026

AGENDA ITEM 9

SUBJECT
Executive Session Action Item

PURPOSE
To take action on items discussed during Executive Session

RECOMMENDATION
The Joint Boards of Directors may vote to accept the recommendation of the Joint Board Subcommittee regarding the performance evaluation of the Chief Executive Officer.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

CONTACT
Jessica Mefford-Miller
jmeffordmiller@valleymetro.org

ATTACHMENT
None

Executive Summary

DATE **AGENDA ITEM 10**
June 11, 2026

SUBJECT
Travel and Expenditures

PURPOSE
The monthly travel and expenditures are presented for information.

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

CONTACT
Ken Kessler
Chief Financial Officer
kkessler@valleymetro.org

ATTACHMENTS
Valley Metro Travel Report
Valley Metro RPTA and Valley Metro Rail Monthly Accounts Payable over $25,000

Valley Metro
Travel Reimbursement Report

Job Title	Purpose of Travel	Location	Dates Traveled	Total Travel Cost	Airfare	Other Transport	Lodging	Meals	Misc.	
Contracts Specialist	NTI: Procurement II: RFP's and Competitive Contract Negotiations	Philedelphia, PA	02/01/26-02/06/26	$2,083.83	$748.57	$70.27	$678.99	$506.00	$80.00	1
Assistant Counsel	APTA Legal Seminar	Philedelphia, PA	03/15/26-03/17/26	$1,421.81	$614.00	$98.95	$475.61	$233.25		
Transit Safety Coordinator	2026 FTA Safety Workshop,	Washington, DC	03/25/26-03/28/26	$1,757.07	$804.41	$0.00	$630.66	$322.00		
Administrator, Transit Asset Management	Think Transit Conference 2026	Boston, MA	03/29/26-04/02/26	$2,801.15	$1,050.15	$161.00	$1,253.00	$267.00	$70.00	1
Interim Director, Information Technology	Think Transit Conference 2026	Boston, MA	03/29/26-04/02/26	$2,641.04	$1,033.80	$201.70	$1,253.04	$152.50		
Assistant Manager, Rail Operations	APTA Operating Practices Working Group	Portland, OR	04/06/26-04/09/26	$361.69	$457.80	$0.00	$448.89	$255.00	($800.00)	5
Manager, Rail Operations	APTA Operating Practices Working Group	Portland, OR	04/06/26-04/09/26	$448.14	$512.80	$0.00	$480.34	$255.00	($800.00)	5
Chief Policy and Government Relations Officer	2026 Spring Legislative Conference	Washington, DC	04/12/26-04/14/26	$2,031.36	$840.80	$101.38	$913.68	$175.50		
Chief Executive Officer	APTA Legislative Conference and APTA Board of Directors Meeting	Washington, DC	04/10/26-04/14/26	$2,132.12	$1,018.60	$72.33	$913.69	$127.50		
Deputy Chief Design and Construction	APTA Legislative Conference	Washington, DC	04/10/26-04/15/26	$3,363.60	$723.15	$0.00	$2,284.20	$356.25		
Manager, Capital Planning	2026 Community Streetcar Coalition Summit	Kansas City, MO	04/26/26-04/29/26	$1,939.99	$849.60	$54.01	$860.13	$176.25		
Deputy Chief Design and Construction	IPI COLLABORATE 2026 Conference and Awards	San Francisco, CA	04/29/26-05/03/26	$866.51	$361.03	$0.00	$367.48	$138.00		

Total this reporting period	$21,848.31
Year to Date	**$161,408.24**

Report reflects Out of State (AZ) Travel

** Misc*
[1] Baggage Fees
[2] Flight Wi-Fi Fee
[3] Fuel (car rental)
[4] Car Rental/Rideshare
[5] ATPTA Reimbursement

Valley Metro Regional Public Transportation Authority
Monthly AP Payments over $25,000
Apr 2026

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
10004680	4/29/2026	Keolis Transit Services LLC	Fixed Route Bus Operations/Maintenance/Professional Services	8,204,763.92
10004589	4/2/2026	Keolis Transit Services LLC	Fixed Route Bus Operations/Maintenance/Professional Services	7,472,815.07
10004678	4/29/2026	City of Phoenix	Transportation Services for East/West Valley-Fixed & ADA Routes	4,374,951.83
90000516	4/30/2026	ADP Inc	PPE 4/26/2026 Payroll Liabilities	1,628,322.74
90000508	4/2/2026	ADP Inc	PPE 3/29/2026 Payroll Liabilities	1,567,468.60
90000511	4/16/2026	ADP Inc	PPE 4/12/2026 Payroll Liabilities	1,537,681.25
10004585	4/2/2026	MTM Transit LLC	Operation and Maintenance Services for Paratransit	1,253,329.75
10004672	4/29/2026	MJM Innovations	Broker Services	1,053,337.53
10004584	4/2/2026	MJM Innovations	Broker Services	930,956.77
10004630	4/16/2026	Keolis Transit Services LLC	Preventative Maintenance Services	929,047.60
90000512	4/23/2026	Cigna Health and Life Insurance Company	Health Insurance Premiums	777,976.22
10004638	4/16/2026	Commute with Enterprise	Vanpool Services	589,857.32
10004609	4/9/2026	MJM Innovations	Broker Services	542,000.94
10004679	4/29/2026	City of Phoenix	PTF Expenditure Request	488,635.74
90000507	4/2/2026	ASRS	PPE 3/29/26 ASRS Contributions & LTD	415,224.37
90000509	4/16/2026	ASRS	PPE 4/12/26 ASRS Contributions & LTD	408,064.25
10004610	4/9/2026	MJM Innovations	Broker Services	330,023.46
10004619	4/16/2026	National Express Transit Corporation	West Valley - Transit Services/Preventative Maintenance	320,683.78
10004583	4/2/2026	National Express Transit Corporation	West Valley - Transit Services/Preventative Maintenance	278,619.55
10004676	4/29/2026	City of Phoenix	PTF Expenditure Request	266,183.04
10004643	4/16/2026	Scheidt & Bachmann USA Inc	Hardware and Software Maintenance Support	247,383.59
10004650	4/23/2026	J Banicki Construction Inc	JOC-Supplemental Construction Services	222,920.80
10004588	4/2/2026	101 North First Ave LLC	101 Building Rent	206,954.12
10004657	4/23/2026	Vix Technology USA Inc	Customer Service Network	130,096.51
10004616	4/9/2026	Keolis Transit Services LLC	Engines and Transmissions	124,056.57
10004673	4/29/2026	MTM Transit LLC	Eligibility Assessment/Training costs	121,596.70
10004617	4/9/2026	Keolis Transit Services LLC	Engines and Transmissions	114,347.55
90000517	4/30/2026	Surepays	RPTA Monthly Utilities	103,698.63
10004647	4/16/2026	Senergy Petroleum LLC	Bulk Fuel	79,102.47
10004577	4/2/2026	J Banicki Construction Inc	JOC-Supplemental Construction Services	66,276.83

1003613	4/9/2026	CopperPoint Insurance Company	Workers Comp Premium Renewal	62,340.10
10004671	4/29/2026	Senergy Petroleum LLC	Bulk Fuel	59,219.34
1003639	4/23/2026	Regional Transportation Authority of Pi	Ajo 685 Long Route Trips	51,872.46
10004575	4/2/2026	CDW Government LLC	Software, Maintenance and Support	49,670.94
10004675	4/29/2026	101 North First Ave LLC	Rent - Suites and Storage	46,625.71
90000510	4/16/2026	Wells Fargo Bank	Monthly Credit Card Charges	44,719.34
10004629	4/16/2026	Keolis Transit Services LLC	Transit Bus Equipment (Bike Racks)	42,352.69
10004631	4/16/2026	Valley Metro RPTA	Platinum Pass program services and smart card stock	37,234.25
10004618	4/9/2026	AECOM Technical Services Inc	Service Planning Support	35,583.63
10004640	4/16/2026	Magnetry LLC	Marketing Services	32,273.50
1003630	4/23/2026	Hye Tech Network & Security Solutions L	Technology and Audio/Visual Solutions	31,666.67
10004628	4/16/2026	City of Phoenix	Cash Processing Center	31,398.10
10004664	4/23/2026	National Express Transit Corporation	West Valley lease	29,527.31
10004642	4/16/2026	QCM Technologies LLC	Information Technology Services	28,404.28
1003631	4/23/2026	Info-Tech Research Group Inc	IT Research Consulting Services	27,334.00
1003634	4/23/2026	City of Scottsdale, Remittance Processi	PTF Expenditure Request	26,253.00
				35,422,852.82

Valley Metro Rail, Inc
Monthly AP Payments over $25,000
Apr 2026

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
50004205	4/2/2026	Siemens Mobility Inc	Traction Control Unit	2,981,890.74
50004265	4/23/2026	Kiewit Infrastructure West Company	CMAR Services for South Central-Downtown Hub	2,171,214.08
50004237	4/16/2026	Alternate Concepts Inc	Transportation Services - Direct Labor Costs	1,747,973.33
50004258	4/16/2026	Inter-Con Security Systems Inc	Field Security Officers	1,514,983.11
50004277	4/29/2026	Siemens Mobility Inc	Traction Control Unit	985,269.68
50004199	4/2/2026	DMS Facility Services Inc	Operations Cleaning Services	858,877.14
50004274	4/29/2026	DMS Facility Services Inc	Operations Cleaning Services	632,593.79
90000058	4/30/2026	Surepays	VMR Monthly Utilities	519,223.38
50004222	4/9/2026	CDW Government LLC	Information Technology	495,300.00
50004247	4/16/2026	SDB Contracting Services	JOC-Supplemental Construction Services	438,900.15
50004227	4/9/2026	Siemens Mobility Inc	LRV Vehicle Communication and Video Upgrade	344,296.75
50004202	4/2/2026	Kiewit Infrastructure West Company	CMAR Services for South Central-Downtown Hub	274,908.14
50004264	4/23/2026	J Banicki Construction Inc	JOC-Supplemental Construction Services	236,585.74
50004248	4/16/2026	Siemens Mobility Inc	LRV Vehicle Communication and Video Upgrade	217,472.01
5004250	4/9/2026	STV Incorporated	Project Development Support	193,105.65
50004252	4/16/2026	Centurylink	SCE Utilities	132,248.54
50004262	4/23/2026	Dellner Inc	Energy absorber bumper	122,085.73
50004233	4/9/2026	Jacobs Engineering Group Inc	Capital Extension Design	119,108.35
50004267	4/23/2026	Centurylink	SCE Utilities	110,046.37
50004204	4/2/2026	PGH Wong Engineering Inc	System Design Services	69,938.13
5004241	4/2/2026	Powerex-Iwata Air Technology Inc	Air Compressor	68,438.30
50004236	4/16/2026	AECOM Technical Services Inc	Environmental Services Support	60,103.19
50004212	4/2/2026	WSP USA Inc	Project Development Support	55,933.71
50004243	4/16/2026	Knorr Brake Corporation	Brake Caliper	49,329.00
5004251	4/9/2026	Mariposa Landscape Arizona Inc	Landscape Services	48,057.16
50004242	4/16/2026	HDR Engineering Inc	Project Development Support	45,352.87
5004269	4/16/2026	Mariposa Landscape Arizona Inc	Landscape Services	43,826.16
50004235	4/9/2026	WEX Bank	Fleet Card Services	41,560.81
50004226	4/9/2026	J Banicki Construction Inc	JOC-Supplemental Construction Services	40,981.97
5004294	4/29/2026	Cox Communications	Third Party Utilities	39,946.93

50004246	4/16/2026	PGH Wong Engineering Inc	System Design Services	38,763.11
50004266	4/23/2026	Knorr Brake Corporation	Brake pads	35,844.60
50004245	4/16/2026	Magnetry LLC	Marketing Services	30,550.05
50004259	4/16/2026	Infenix	Program and Construction Management Services	29,006.99
50004210	4/2/2026	Westinghouse Air Brake Technologies Cor	Kit - OC1B Filter	26,166.00
50004196	4/2/2026	Award Winning Restorations	LRV accident repair	25,401.09
				14,845,282.75

Executive Summary

DATE
June 11, 2026

AGENDA ITEM 11

SUBJECT
Report on Current Events and Suggested Future Agenda Items

COST AND BUDGET
There are no costs associated with this item

RECOMMENDATION
This item is presented for information only.

CONTACT
Jessica Mefford-Miller
Chief Executive Officer
jmeffordmiller@valleymetro.org

ATTACHMENT
None

Agenda

June 11, 2026

Valley Metro RPTA
Board of Directors
Thursday, June 18, 2026
Boardroom/You Tube
Valley Metro, 101 N. 1st Avenue, 10th Floor
11:15 a.m.

	Action Recommended
1. Minutes	1. For action
Minutes from the May 21, 2026, Board meeting are presented for approval.	
2. City of Mesa Bus Stop Improvements Project Design, Construction, and Funding Agreement	2. For action
Authorization for the Chief Executive Officer to execute the Design, Construction, and Funding Agreement with the City of Mesa for bus stop improvements.	
3. Operations and Maintenance for Paratransit Contract Amendment	3. For action
Authorization for the Chief Executive Officer to execute a contract amendment with MTM Transit, LLC, to extend the contract through September 30, 2029.	
4. Election of FY27 Board Officers and Subcommittee Members	4. For action
In June of each fiscal year, the Regional Public Transportation Authority (RPTA) elects Board officers, in addition to electing members to the two standing committees of the Board: The Joint Board Subcommittee (JBS) and Audit and Finance Subcommittee (AFS). Board and Subcommittee members must be elected officials and participation on the respective subcommittees are limited to elected officials only.	

5.	Report on Current Events and Suggested Future Agenda Items	5.	For information

Chair Adams will provide members the opportunity to report on current events and suggest future agenda items for consideration.

6.	Next Meeting	6.	For information

The next Board meeting is scheduled for **Thursday, August 27, 2026 at 11:15 a.m.**

Qualified sign language interpreters are available with 72 hours notice. Materials in alternative formats are available upon request. For further information, please call Valley Metro at 602-262-7433. The supporting information for this agenda and the You Tube streaming link can be found on our web site at www.valleymetro.org.

Meeting Minutes

June 11, 2026 **AGENDA ITEM 1**

Valley Metro RPTA
Board of Directors
Thursday, May 21, 2026
Valley Metro
101 N. 1st Avenue, 10th Floor Boardroom/Webex
11:15 a.m.

RPTA Meeting Participants
Councilmember Jennifer Adams, City of Tempe – **Chair**
Councilmember Max White, City of Avondale **– Vice Chair**
Councilmember O.D. Harris, City of Chandler
Councilmember Monica Dorcey, City of El Mirage
Councilmember Peggy McMahon, Town of Fountain Hills
Councilmember Kenny Buckland, Town of Gilbert
Councilmember Lauren Tolmachoff, City of Glendale
Councilmember Wally Campbell, City of Goodyear
Supervisor Steve Gallardo, Maricopa County
Councilmember Francisco Heredia, City of Mesa
Councilmember Jon Edwards, City of Peoria
Councilmember Ann O'Brien, City of Phoenix
Councilmember Maryann McAllen, City of Scottsdale
Councilmember Earle Greenberg, City of Surprise
Vice Mayor Jimmy Davis, City of Tolleson
Mayor BG Bratcher, Town of Wickenburg
Mayor Michael LeVault, Town of Youngtown

Members Not Present
Councilmember Jamine Berry, City of Buckeye
Councilmember Jeff Brown, Town of Queen Creek

Chair Adams called the meeting to order at 12:18 p.m.

1. Consent Agenda

Chair Adams said the consent agenda is presented for action. Does the committee have any questions or are there any items that need to be pulled for separate discussion?

Councilmember Tolmachoff said I have a question on two items on the consent agenda. On agenda item one B the FTA Pass-Thru Grant Agreements. I'd like to at least have a future discussion about how we're going to be able to provide more transparency surrounding the reconciliation process on pass through items. That's one question. And then on item D, the Intergovernmental Agreement with MAG, I'd like to clarify though that we're going to have this brought back to the committee for further amendment if the recommendations of the manager's working group recommendations are and then they go through MAG, whatever those are, if they're going to require any changes to this. I just want to go on record that we understand that this may be subject to change. So those are my two questions.

It was moved by Councilmember White, seconded by Councilmember Tolmachoff and approve consent agenda items 1A through 1D.

Councilmember White said yes, thank you madam chair. As we look at item 1B and 1D I think those are things that are going to require, full reporting, but we do also want to thank and be mindful of, ADOT, as well as MAG for being the facilitator of the funds that we will be the stewards of in the future.

Chair Adams said okay, thank you very much. Any other comments?

IT WAS MOVED BY COUNCILMEMBER WHITE, SECONDED BY COUNCILMEMBER TOLMACHOFF AND APPROVE CONSENT AGENDA ITEMS 1A THROUGH 1D.

2. <u>Renewable Natural Gas Revenue Contract Award</u>

Chair Adams said item two Renewable Natural Gas Revenue Contract Award. I will ask Jessica to introduce this item.

Ms. Mefford-Miller said thank you Madam Chair members of the board, and I'll invite Gregg Thompson, our Deputy Chief of Bus Maintenance. To provide a brief presentation. This contract before you is a revenue generating contract. This is under the umbrella of stabilizing our energy costs and financial stability. Recently the board did approve a separate contract for fuel hedging that would help us in our energy purchases specifically for CNG diesel and unleaded fuels. This one is an RNG credit program.

Currently about 83% of value metro RPTA's bus fleet relies on compressed natural gas as our energy source. We know that we will continue purchasing natural gas, it may as well be renewable natural gas into the future, and so this is a program that will help us offset some of the costs of that energy.

I'll turn it over to Gregg Thompson to provide you with background since this is a relatively new program to Valley Metro.

Mr. Thompson said thank you, Jessica. Madam Chair and members of the board. I'm super excited to present this to you. We've been working on this for a while. There's a lot of moving pieces to it. This, this project represents a great opportunity to bolster Valley Metro and the region sustainability efforts while generating significant long term revenue for the agency. The program itself and how it works at a high level is outlined in your board packet on kind of how the, the renewable natural gas is created all the way through to the how it's monetized. And that's where, where we come in as an off user. We use a, a broker that essentially ensures that our off usage is a we call it a burner tip is able to be supported by all of the generators of the renewable natural gas, and they will all kind of share in the profits from that program.

The anticipated revenue from this initial five-year base term is approximately $6.3 million, and this is solely at, at our, from our Mesa location. We consume about 2 million thirds of CNG compressed natural gas a year, and we're offsetting that with RNG to the tune of almost $0.61 a therm.

We have an option for an additional three years, which would generate an additional $3.4 million, bringing I say the potential. This is all based on our usage. We're always looking at other ways to reduce fuel, reduce our emissions, which could offset our, you know, our consumption of natural gas and renewable.

So I say our expected and potential is a total for an eight-year term of $9.8 million. The recommendation is on the screen in front of you and in your packets and I am happy to answer any questions you may have.

Chair Adams said thank you. Are there any questions regarding this matter. Okay, I will entertain a motion and a second to approve the recommendation.

IT WAS MOVED COUNCILMEMBER EDWARDS, SECONDED BY MAYOR BRATCHER AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO ENTER INTO A CONTRACT WITH CLEAN ENERGY RENEWABLE FUELS, LLC, FOR RENEWABLE NATURAL GAS CREDITS (REVENUE), WITH A FIVE-YEAR INITIAL TERM AND THREE ONE-YEAR OPTIONS TO EXTEND. THE AGGREGATE REVENUE OVER THE TERM IS ESTIMATED AT $9,805,444.

3. Valley Metro RPTA Fiscal Year 2027 (FY27) Proposed Operating and Capital Budget and Five-Year Operating Forecast and Capital Program (FY27 through FY31)

Chair Adams said item 3 is the FY27 Proposed Operating and Capital Budget and Five-Year Operating Forecast and Capital Program (FY27 through FY31). I will ask Jessica to introduce this item.

Ms. Mefford-Miller said thank you, Madam Chair members of the board. Ken Kessler our Chief Financial Officer, will provide a presentation on the proposed FY27 budget before you. As I mentioned earlier, we've been working in an iterative process with our member communities to develop a sustainable budget that's responsive to both the mobility needs of the region that we serves as well as the financial realities of our region and member cities. The RPTA budget before you represents a negative 1.2% year-over-year change relative to our current budget year. Major cost drivers for line items that do grow include our contract cost obligations as well as an figure that we added in in recent months and additional $800,000 for energy speaking of energy relative to current energy markets. We have seen significant reductions in all expenses including contracts. I want to note of particular that we have reduced our agency headcount by 17 positions. Eleven of those are in RPTA, six of those are in Valley Matro Rail. That is a 3% across the board reduction in total personnel positions, and this brings our RPTA personnel count to exactly our FY23 level.

I do want to note for RPTA members who won't be here in the Valley Metro Rail board meeting, we'd have had growth over time in the Valley Metro rail personnel. I want to note that in the last six years our VMR personnel has grown in headcount by 18%, but our track miles have grown by 36%. Most of those team members bear direct responsibility for maintaining our rail system and our rail vehicles. We are working to scrutinize every single expense and to continue to deliver sustainable budget. We've got a number of items that we've discussed today that are in the works for FY 28 to evaluate things like insourcing, reducing energy costs as we've talked about to both generate revenue and reduce these expenses.

Councilmember Tolmachoff said before Mr. Kessler does this presentation, if you would indulge me because I do have a question about the FTE reduction if you don't mind, so that's probably not your area anyway. So is that a permanent reduction in the number of FTEs?

Ms. Mefford-Miller said thank you Councilmember for your question. It is. So those are positions that exist in the FY26 budget, we will not carry forward in the FY27 that will not reappear in FY28. These position reductions are the result of strategic realignment of personnel identifying some efficiencies in the way we do business. So we had a robust conversation around this during last ad hoc meeting concerning technology and just streamlining some of our processes. We're continuing to work to find efficiencies anytime we have a vacancy at valley Metro, if it's not a line position, think attraction power, electrician or an electromechanic. We are critically evaluating the need for that position moving forward. And if there is a way that we can support those business needs with existing personnel, with technology, we avail ourselves of that opportunity.

Councilmember Tolmachoff said very good. Thank you. One last question. Do we have an estimate roughly of what the savings was?

Ms. Mefford-Miller said yes, that's RPTA for that staff reduction? The total savings reduction I guess because they were vacant, but I'll have Ken do the RPTA versus VMR in total Councilmember Tolmachoff it's $2 million a year across those 17 positions. And then the head count, it's a net reduction of 3 %. Perfect.

Chair Adams said very good. And do we have some salary savings also?

Ms. Mefford-Miller said yes, we do. And so that personnel budget that I'm glad you asked that. That personnel budget, think of that as a ceiling or a not to exceed amount. We'll only spend that level if we had every position filled for all of the year, which of course we, we don't. I'm proud that we have reduced our turnover, especially in our skilled trades positions.

Thank you for the work of this body on the class and comp study. We now have fewer maintenance vacancies than we have had in many years here at Valley Metro, but we still do have vacancies and that does show up as an underrun. I'm proud that we have consistently underrun our budget in recent years.

Now that being said, we are working to narrow the variance between our budget and actual so that we are not asking our member communities to set aside more funds than we need. So, each year that variance has narrowed moving forward, I think last year about 6% Ken. Moving forward, we expect it to narrow still.

Chair Adams said what's the delta on that? Do you know.

Ms. Mefford-Miller said it's 6%. It's 6% for FY25. We're still in FY 26.

Chair Adams said I'm all about how can we save money? Have been hit so hard with the rental tax, thanks to our friends at the state capital?

Jessica Mefford-Miller said yes, and we've been working hand in glove with the cities, and I do want to commend the Valley Metro team for sharpening the pencils and doing the hard work to identify savings, giving up positions. Thank you.

Mr. Kessler said thank you Madam Chair. Thank you Jessica, for that introduction of this item. I do want to start off before I get into the details of the budget today by expressing my appreciation for everyone's efforts, our budget team, Tyler Olson, Mike Kearns and their team for their hard work. Staff throughout the agency that involved in the budget process every year and on a monthly basis and, you know, monitoring and managing the budget. Want to thank the Board as well as all the member agency staff and management teams that have provided input and feedback, and as Jessica mentioned along the way, we've incorporated the feedback we've heard for the last several months, so appreciate the collaborative process and all the inputs.

Obviously the budget is a very important part of the organization, it really spells out our priorities. So very important to incorporate and hear feedback from all the members. So I just want to express my thanks to everybody's efforts along the way.

So that said, I'm getting into some of the details of the budget, just here's our overview, so basically we started out with the base budget that was a reduction of $11.4 million over the current year under the current year budget. And then those ongoing obligations as Jessica kind of alluded to those contract rate increases fuel increases year over year, those types of things, about $7.9 million driving the budget there, to ultimately landing at a place of a $275.8 million budget which is a net reduction of $3.4 million over FY 26 representing, as Jessica mentioned about 1.2 % reduction.

So, looking at some of the process along the way, so as I mentioned, we start with the base budget, we made reductions to that $11.4 million, so this is a summary table, identifying those items that were reduced from the base budget. These are things like either onetime items or maybe items that maybe have a duration of a year or two.

That ended in FY26 or those areas where we've seen underruns in in recent years and kind of really scrutinized the budget to see where are we trending under budget and so looking at pulling back that budget going forward, recognizing that if we're consistently under running, well, we don't need to continue to budget at that level, so pulling back. The result of that is about $11.4 million reduction in the base budget as we develop the budget throughout the past several months.

And then from there, those sorts of obligations are built in, those contract rate increases, fuel estimates, again, working with a very uncertain situation in terms of fuel markets right now, so I wanted to make sure that we had adequate budget there and just a number of those items that are just those ongoing commitments and inflationary cost drivers. So about a total of $7.9 million there for those items.

Now looking at the adjustments we made along the way during the budget processes, we kicked it off and distributed those original preliminary budgets back in October. So a number of items here and you can see the personnel eliminations, as well as removing the COLA that was in the original budget amount to about $1.5 million.

Recalling off the top of my head to your question, Councilmember Tolmachoff, the elimination of the positions was a little over a million dollars on the RPTA side, and so the balance of that was really the elimination of the COLA we had in the original budget.

And then just wanted to touch on the contingency here. That's fairly large number and just kind of explain what that is. After we go through the process of adjusting the base budget for any of those eliminations that for this year amount of $11.4 million, back in September and October we do add in a contingency because we want to deliver a not to exceed amount to the member agencies recognizing we're all pretty much on the same timeline for developing our budgets and that you all need the information early in the fall, early in the spring, as you're developing your budget, so we want to make sure that the first preliminary budget that we deliver has a not to exceed amount, so any adjustments to our budget going forward will be a net downward adjustment. So that contingency is eliminated as part of the budget development process.

And really it's there for those unknowns, those uncertain things, so as we have some contract rates we know for the coming year, but we may have some contracts coming up for renewal and we don't have known rates, some of those unforeseen things, so we like to build in a little buffer at the beginning of the budget process, again, so we don't come with bigger numbers come the springtime as. These are already well into their budget process. So about $13 million there in adjustments to reductions net throughout the course of the process.

Moving into the, the operating program. So on the uses of funds side, you can see here an overall reduction of, as Jessica mentioned, 1.2%. You can see fixed route operations is down at a touch at .2%, demand services up, just a slight bit at 2% up. I do want to emphasize some of the more administrative areas like regional services and admin and finance down substantially there 15% and 8% respectively. So again, to some of the feedback we've received as well as our staff sharpening their pencils to look for items where we can make those reductions, bringing those budgets down, so.

Looking at the sources that support the operating program, primarily Public Transportation Funds and member city contributions, the main contributors to supporting the operating program.

The capital program, a slight decrease from the current year. And again, the capital kind of ebbs and flows over time. We are working towards evening out the fleet replacement so that we're replacing a consistent number of vehicles each year to kind of to level that off. So the maintenance team has been working on developing that plan, putting that into play here. And also part of the driver here in the fleet is it really the timing of the receipt of the vehicles, so when we receive them and pay for them, that's when we need to have the budget, so the timing of vehicles could vary within several months, so we may order 20 in a year, but those 20 may lag some time for production and so forth. So, again, we see a variability in the regional fleet which is always the RPTA’s largest capital program.

The sources that support the capital program are primarily federal funds and Public Transportation Funds. And now the pass-through funds, again, RPTA share responsibility for the Public Transportation Fund, a number of things, the disbursements to member agencies for PTF funded projects, they're out as well as VMR capital efforts as well as VMR personnel.

Again, reminding folks, all employees are technically RPTA employees and so those personnel costs initially reside with the RPTA pass through to VMR for the VMR efforts. And of course, there are lottery funds that we disperse to the member cities.

And then here's the sources of those pass throughs by and large Public Transportation Funds, the VMR reimbursement, so that's payments from VMR back to RPTA to reimburse for those personnel efforts as well as lottery funds.

Taking a look at our five-year forecast. First on the operating program, we've got about a $2.1 billion five-year program on the operating side, on the sources, again, Public

Transportation Funds, member city contributions, being the main contributors to supporting the operating program.

On the capital side of things you can see here, about an $860 million program. Again, Public Transportation Funds and federal funds being the primary funding sources, and again you see regional fleet. It continues to be the largest portion of the overall RPTA capital program.

Just to recap the dates, the process we've gone through thus far throughout the last several months to review the budget, get your input, and make adjustments along the way. Here we are in May looking for action from the board. And here's the recommendation before you, and that concludes my presentation. Happy to take any questions?

Chair Adams said thank you. Very good presentation.

It was moved Councilmember White, seconded by Councilmember Tolmachoff to approve the RPTA FY27 proposed operating in capital budget of $506.3 million and accept the Five-Year Operating Forecast in Capital Program FY27 through 2031.

Councilmember Tolmachoff said thank you, Mr. Kessler, that was a good presentation. And thank you for the hard work. I know you and your staff did to tighten things up this year. So I mean, I know you guys probably spent even extra amount of time trying to look in the couch cushions trying to find where we could save. So, personally I know the Board also we really appreciate the extra work and effort you put into that.

I do have question, now with the new relationship with MAG. How are how are we going to get on the same page with forecasting and assumptions so that we don't have the I mean this is our first year of the relationship so but do we have a plan in place to figure out how we can get on the same page with our forecasting assumptions?

Mr. Kessler said Madam chair, Councilmember Tolmachoff we've been working with MAG closely and as you mentioned I mean this is sort of a process in the making as we, work to do the initial launch of prop 479 TLCP. We're in a new era, I think it just becomes a matter of continuing to work more closely with MAG. We've had a lot of conversations and more recently about questions that have come up about how our five-year forecast compares to maybe those same five years in their plan, there are definitely some variations and assumptions between the two agencies.

We've initiated conversations with them to get together to look at bringing those assumptions more in line with each other. I think the one thing for MAG is what they provide right now whereas a the whole 20-year program, and so they're using sort of more generalized assumptions like 3% inflation et cetera. For us, when we develop the five-year, it's a shorter time horizon we're looking at. So we have a little more known, right? We have contract rates and things like that for at least some period of time for the duration of those contracts terms. We will be working with them to make sure we're sharing all that information, make sure that they have as much of that detailed information that we have that goes into our forecast so that they have that same information. So at least for those sorts of near terms to midterm, projections in their 20-year program, that they can align those with ours. We are also working towards developing a 20-to-30-year forecast for Valley Metro. So we will work as we develop that to align that with MAG, so if we put a 20-year forecast out there that were, fairly well in alignment with MAG.

I will mention though, I don't know that our numbers will always exactly match, and I think a lot of it has to do with the timing of when we do our updates, when they do their updates and so on and so forth. So, you know, the goal is to get obviously very, very close has possible, certainly. But I just wanted to mention that. I don't think we'll in my, my professional opinion I don't think we'll ever match exactly, but I think we can get very, very close as long as we align on those assumptions.

Councilmember Tolmachoff said I mean at least trying to find some sort of alignment and I mean the lines of communication being open and, and understanding how they do things, how we do things and trying to figure out how even, you know, maybe I understand it's also a snapshot in time. You're looking at the forecast from whenever we're looking and then they're looking for whenever they're doing it. They maybe using something they forecasted a couple of years ago. So I understand that we're not going to probably all be exactly in alignment, but I'm happy to hear that we're working on trying to figure out how we're going to better understand each other and so we're, there's not so much unknown I guess when we're, when we're doing forecasting.

Mr. Kessler and the variability, I mean, I agree we've got some comments from some member agencies over the last couple of months or so and you know to that point about, you know, the numbers not matching up and I get that as a professional that bugs me as well. Again, I don't expect it to match exactly, but I would like it to look, you know, a lot more alike than it has.

Councilmember Tolmachoff said I appreciate the work you're doing, Ken, thank you.

Chair Adams said do I have any other questions?

Councilmember White said thank you so much, Madam Chair. Thank you Ken. I know that I have the opportunity to work a little closer with you and we have had numerous conversations as financial professionals about when numbers just don't match and especially the forecasting process. I think that in a, in a market that changed kind of overnight for us. You did an amazing job cutting back and being very considerate to all member agencies at this table or online, whether they're present or not, you understood that we really are tightening the belt right now, but we still need to make our communities connected. And you're able to do that and work with all of the departments internally to ensure that you're providing them the funding that they need to meet the thing that I care about the most and all of our agencies are the people and then we make such safety a priority. So this budget really reflects our respect and our endorsement of the folks who work to make Valley Metro successful every day. We want to do right by them and give you all the resources that you need to make sure that we have connected communities and we're doing that in a safe and responsible way. So this budget reflects that to me, and I just wanted to commend you Mr. Olson, thank you so much for leading out in the budget process and all the teams that were able to tighten the belts, that 3% is something that resonates with me. That's probably what we had to cutback in my municipality, so if nothing else you are reflecting what we expect in the city of Avendale, so thank you very much.

Chair Adams said do we have anyone else that wants to have some discussion? Seeing none.

IT WAS MOVED BY COUNCILMEMBER WHITE, SECONDED BY COUNCILMEMBER TOLMACHOFF AND UNANIMOUSLY CARRIED TO APPROVE THE RPTA FY27 PROPOSED OPERATING AND CAPITAL BUDGET OF $506.3 MILLION, AND ACCEPTANCE OF THE FIVE-YEAR OPERATING FORECAST AND CAPITAL PROGRAM (FY 2027 THRU 20231).

4. FY Board Officers and Subcommittee Members

Chair Adams said item four is the Election of FY27 Board Officers and Subcommittee Members and is presented for information only. I will ask Pat Dillon to address this item.

Ms. Dillon said thank you Chair. As a reminder, Valley Metro RPTA does board officer elections at the June Board meeting. Positions that are open for letters of interest are the chair, vice chair, and treasurer, and there are two openings on the Audit and Finance Subcommittee members and two opens on the Joint Board Subcommittee.
All of those committees are outlined in the memo that is in your packet. If there are any questions or your staff has any questions, I'm happy to answer them and letters of interest for any of those positions are due Friday, June 5 at 5:00 p.m.

Chair Adams said great, very good Pat. Thank you for that. Does anybody have any questions for Pat regarding the open positions?

5. Report on Current Events and Suggested Future Agenda Items

Chair Adams said do any members have any reports on current events or are there any agenda items for future meetings? Madam chair? Yes. Thank you.

Councilmember Tolmachoff said I'd like to request a future agenda item for specifically for the June board meeting to the CEO and her staff bring us back a, we have the hiring free, so that is that is scheduled to end at the end of the fiscal year. So to bring us back a the proposed organizational chart under the two I think it was the COO and a CAO that you requested what your proposed organizational chart would be under that, if that was to go ahead and be approved by the board and then what the, just a brief synopsis of what the responsibilities of your executive team would be under the new org chart. Thank you madam chair.

Councilmember White said thank you so much, Madam Chair. Thank you, so much fellow board members. I just wanted to celebrate with everyone who has tried out microtransit in the West Valley. We are pleased to report that WeRide has had over a half a million riders from the beginning of the program, whether it was in Surprise Peoria, still active in Goodyear and in Avondale, we have crossed that threshold, and I just wanted to thank you all so much and encourage those folks to jump on a WeRide, you get transit going one way in Avondale or Goodyear for $2, so we just are excited about that. I wanted to share it with the board. Thank you very much. That's great news.

Councilmember Edwards said Madam Chair I'd like to request an update, a future meeting for from MAG. There's been a lot of talk today about what you guys are doing between the two agencies, I think it's pertinent. We're coming up on the six-month mark that that they've been involved in this. So I'd like to see that on a future agenda item to have an update from MAG.

Ms. Mefford-Miller said thank you for that request. So we are working very closely with Mag right now. The Prop 479 Transit Lifecycle Program Managers Working Group is meeting on about a bi-weekly basis, we and MAG’s staff are supporting those meetings, the MAG Committee process will consider in its June cycle adoption of the Prop 479 FY27 Transit Life Cycle Program, so I think it would be certainly relevant and timely to invite MAG back once we've finished that work. I would suggest for the August cycle.

Chair Adams said good suggestion. Are there any other current events or requests?

The next Board meeting is Thursday, June 18 at 11:15 a.m.

With no further discussion the meeting adjourned at 12:49 p.m.

Executive Summary

DATE **AGENDA ITEM 2**
June 11, 2026

SUBJECT
City of Mesa Bus Stop Improvements Project Design, Construction, and Funding Agreement

COST AND BUDGET
The available budget to design and construct various bus stop improvements as part of the City of Mesa's Bus Stop Improvements project is $2.52 million dollars, including contingency. The project is funded by a combination of federal and Mesa local funds.

RECOMMENDATION
Authorization for the Chief Executive Officer to execute the Design, Construction, and Funding Agreement with the City of Mesa for bus stop improvements.

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals and strategies in the Five-Year Strategic Plan,

- Goal 1: Deliver excellent customer experience
    - Tactic 1.5: Continue to expand transit availability and equity
- Goal 5: Stakeholder collaboration
    - Tactic 5.2: Incorporate member agency and stakeholder input into action plans to build the future regional transit system
- Goal 8: Operational Excellence
    - Tactic 8.1: Optimize service performance to meet current and evolving regional travel needs

COMMITTEE PROCESS
RTAG: May 19, 2026 for information
TMC: June 3, 2026 approved
Board of Directors: June 18, 2026 for action

CONTACT
Trevor Collon, PE
Chief, Capital Development
tcollon@valleymetro.org

ATTACHMENT
A draft of the agreement is available upon request.

Background Information

The City of Mesa has received congressionally-directed funding to support bus stop improvements, namely the installation of bus shelters at various existing stops. In March 2026, the city approached Valley Metro about the possibility of Valley Metro performing the design and construction work to support the project. Valley Metro has contracted resources that are federally-compliant and internal staff capacity to support the project. Valley Metro anticipates utilizing its General Consulting Support Services (GCSS) contract for design and its Job Order Contract for fabrication and construction of the bus stop improvements.

The Design, Construction, and Funding Agreement defines roles and responsibilities in delivering the project including project management, communication, reporting, and reimbursement. The funding sources are summarized in the table below:

Funding Source	Amount
Congressionally-directed funding (Federal)	$ 800,000
Grant Local Match (Mesa local funds)	$ 200,000
Additional Mesa local funds	$1,140,000
Subtotal	$2,140,000
Contingency-Mesa local funds	$ 380,000
Total	**$2,520,000**

Execution of this agreement is contingent upon future approval by Mesa's City Council.

1

City of Mesa Bus Stop Improvements Project Design, Construction, and Funding Agreement

- Agreement between Valley Metro and City of Mesa to define design, construction, and funding roles/responsibilitie
- Available budget of $2.52M (includes $380k in contingency) with improvements delivered in 2026 and 2027

2

mesa·az

VALLEY METRO

2

Bus Stop Improvements

- Design, fabrication, and installation of new bus shelters, and furniture, at multiple locations throughout the City

MT1

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3

Recommendation

Authorization for the CEO to execute the Design, Construction, and Funding Agreement with the City of Mesa for bus stop improvements

4

VALLEY METRO

4

Executive Summary

DATE **AGENDA ITEM 3**
June 11, 2026

SUBJECT
Operations and Maintenance for Paratransit Contract Amendment

COST AND BUDGET
No additional contract authority is requested.

For FY27, the contract obligation is fully funded within the adopted FY27 Operating and Capital Budget. Contract obligations beyond FY26 are incorporated into the Agency's Five-Year Operating Forecast and Capital Program (FY26 through FY30).

The sources of funds are Public Transportation Funds, federal grants, and member cities.

RECOMMENDATION
Authorization for the Chief Executive Officer to execute a contract amendment with MTM Transit, LLC, to extend the contract through September 30, 2029.

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals and strategies in the Five-Year Strategic Plan:

- Goal 8: Operational excellence
  - Tactic 8.1: Optimize service performance
  - Tactic 8.2: Codify a comprehensive maintenance and operations program
  - Tactic 8.3: Improve service quality through enhanced planning, performance management, and continuous improvement
- Goal 9: Financial sustainability
  - Tactic 9.5: Proactively identify cost savings and implement resource justification

COMMITTEE PROCESS
RTAG: May 19, 2026, for information
TMC: June 3, 2026, approved
Board of Directors: June 18, 2026, for action

CONTACT
Chris Ramirez
Interim Chief Transportation Officer
cramirez@valleymetro.org

ATTACHMENT
A copy of the contract amendment is available for review.

Background Information

The Federal Mandate for Paratransit the Americans with Disabilities Act ("ADA") mandates public transit agencies to provide "complementary paratransit" to ensure individuals with disabilities have equal access to public transportation. This service is a required civil right for those physically or cognitively unable to navigate standard fixed-route bus or rail systems. To maintain compliance, Valley Metro must provide service within ¾ of a mile of fixed route bus routes.

Background:

- Original contract began October 1, 2023, with a 3-year base term plus 3 one-year options to extend
    - Contract is a cost reimbursement plus fixed fee contract with a price escalation clause
    - Contract terms require mutual agreement of both parties
- Paratransit Operations and Maintenance Staff formed a collective bargaining unit effective October 1, 2024, the start of base year 2.
- In fall 2025 MTM indicated they would not pursue exercise of contract option years without an adjustment to the price schedule to reflect the new CBA wage and benefit expenditures.
- Valley Metro staff opened discussions with MTM leadership to better understand the drivers of cost pressures with the current pricing structure and negotiate pricing based on the CBA escalations and CPI increases

This change order exercises the final three-contract option years at once to secure base pricing inclusive of CPI related increases through the end of the extended contract term on September 30, 2029.

What will it cost?

Based on the anticipated number of revenue service hours associated with this contract, the projected cost escalation over the remaining term of the contract is 6.7% for the second half of base year 3, 6.3% for option year 1, and 3.5% each for option years two and three. The fixed and variable costs are detailed below:

	Base Year 3 10/1/2025-3/31/2026	Base Year 3 4/1/2026-9/30/2026	Option Year 1 10/1/2026-09/30/2027	Option Year 2 10/1/2027-09/30/2028	Option Year 3 10/1/2028-09/30/2029
Fixed / Month	$292,659	$307,045	$309,950	$320,799	$332,027
Var / Rev Hour	$60.54	$64.88	$69.90	$72.34	$74.87
Fixed+Var/Rev Hr	$76.76	$81.90	$87.08	$90.12	$93.27
Hours	108,250	108,250	216,500	216,500	216,500
% Inc YOY		*6.7%*	*6.3%*	*3.5%*	*3.5%*
Fixed Annual	$1,755,956	$1,842,268	$3,719,405	$3,849,584	$3,984,320
Variable Annual	$6,553,455	$7,023,260	$15,133,350	$15,661,610	$16,209,355
Total Annual	**$8,309,411**	**$8,865,528**	**$18,852,755**	**$19,511,194**	**$20,193,675**
		$17,174,939			

For context, the original pricing proposal submitted by MTM was for a 14.2% increase in contract rates over the course of the final four contract years. After working with MTM to jointly identify areas of cost containment and efficiency opportunities, the final cost proposal landed at an 8.9% cost increase overall over the course of the final four contract years to account for CBA-related wage and benefit adjustments along with the contractual CPI adjustments allowed.

It should be noted that there is no requested increase to the existing contract authority of $132,319,410 or the contingency of $13,231,941 associated with this contract amendment. The proposed contractual rate increase for the upcoming fiscal year has also been included in the proposed fiscal year 2027 budget. No adjustment would be needed to the current fiscal year 2027 budget request.

What will it provide?

This contract amendment allows Valley Metro to continue to meet its obligation under the Federal Americans with Disabilities Act (ADA) to provide complimentary Paratransit service within ¾ of a mile of its fixed route network and ensure individuals with disabilities have equal access to public transportation. This also will allow Valley Metro to maintain continuity of operations with the existing vendor and build upon the close partnership that has been in place since the inception of the original contract term. This contract amendment aligns with Strategic Plan Goals 1: Deliver an Excellent Customer Experience, 8: Operational Excellence, and 9: Financial Sustainability.

What has been done thus far?

An analysis was completed to evaluate the challenges and risks associated with extending the existing MTM contract versus putting out a new RFP for procurement.

Option	Benefits	Challenges/Risks
Extend Contract with MTM	• Utilizes existing contract options to build upon the existing partnership with the vendor and continue building upon current performance enhancements • Prevents starting over with a new vendor • Contains costs to a known rate for the next three years	• Contractor becomes comfortable knowing they are locked in for three more years
Reprocure Contract	• Ability to adjust scope of work in areas requiring attention	• Unknown contract costs and the potential for a significant cost increase • Turnover in institutional knowledge by changeover in contract management team

Ongoing performance management practices have also been implemented to help ensure continued improvements to service quality and performance. These include:

- Utilizing real-time data from Trapeze and RideCo to monitor contract performance and identify areas of opportunity
- Driving continuous improvement alongside MTM staff, inclusive of trend and root cause analysis, and development and implementation of corresponding solutions
- Tracking and responding to customer complaints and service quality metrics to improve the overall customer experience

With the implementation of these processes under a new and responsive leadership team, MTM Transit, LLC ("MTM") has worked in close partnership with Valley Metro to significantly improve service delivery. Key operational advancements include:

- **Fleet Health:** A reduction in the number of out-of-service vehicles. Mean distance between failures has improved by over 50%.
- **Reliability and Customer Experience:** Improved management of route cancellations. Missed trips trended below 1% resulting in a decrease in customer service complaints.

- **Workforce Development and Cost Containment:** A more robust driver recruitment and training process. Operator availability has improved to over 98% with overflow utilization reduced to below 3% on average as of March 2026.

What's next?

This contract amendment continues the effective working relationship with the existing vendor to build upon the reporting metrics and expectations that have been put in place. Service continuity would be maintained with potential enhancements leveraging the transition to RideCo scheduling software. A focus on customer experience and regional service performance will continue to advance and build upon the foundation that has been laid with the current vendor.

Why now?

Looking at the regional market and Demand Responsive services, it is anticipated releasing a new RFP at this time would lead to contract rate increases in excess of 15 percent of the original contract costs. Following negotiations, Valley Metro met with regional stakeholders, and together, we determined that this extension represents the fiscally responsible option to ensure service continuity and cost stability. The current vendor has demonstrated a commitment to continued performance improvements and investment in the regional Demand Response network. This extension will also allow time for the agency to complete the study on Microtransit services, advance the Bus Network Redesign, and develop a comprehensive Request for Proposal (RFP) for Demand Response services based on the outcomes of those projects to meet the future needs of the region.

Contract Authority and Spend Summary

Description	Amount
Current Board Authorized Contract Authority	$132,319,410
Current Board Authorized Contingency	$13,231,941
Current Spend	$47,282,114

Note: Contract authority does not obligate the agency. The agency is obligated only once a task order or purchase order is issued for a budgeted line item.

CONTRACT TYPE AND TERM

The contract is a cost reimbursement plus fixed fee contract. The contract began on October 1, 2023, and will end on September 30, 2029, with no options to extend.

Paratransit Operations and Maintenance Contract Extension

VALLEY METRO

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Background information

- Solicitation originally released in October 2022
- Contract awarded in April 2023 with a "go live" date of October 1, 2023, 3-year base term, 3 one-year options to extend
- Contract is a cost reimbursement plus fixed fee contract with price escalation
- First Year proforma fixed and variable costs used for evaluation of the three offers (amounts exclude mobilization costs):
  - MTM - $20,899,527
  - Offeror B - $29,482,737
  - Offeror C - $29,627,325
- MTM received the highest point score and cost roughly 30% less than the other offerors

2

VALLEY METRO

2

Contract Extension

- Contract terms state extensions "…shall be by mutually signed change order…"
- September 2025, Contractor notified Valley Metro that they would not agree to exercise an extension without an equitable adjustment to the price schedule for the impact of a new collective bargaining agreement (CBA)
- Original cost proposals did not contemplate CBA wages and benefits, bid as a non-CBA contract

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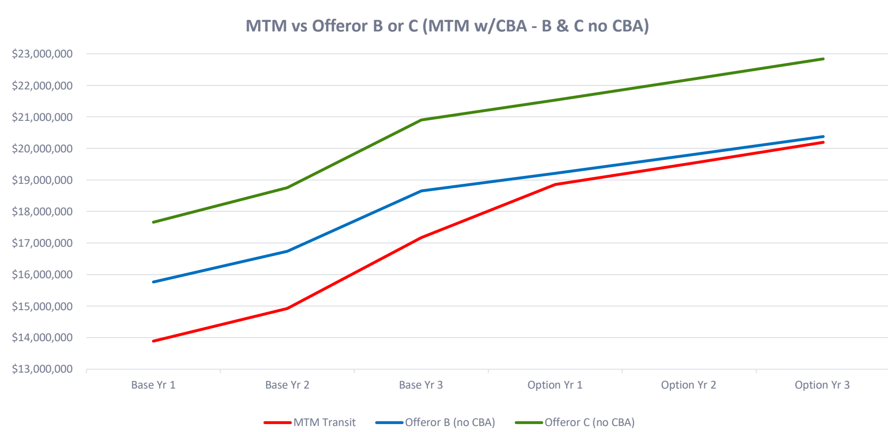
MTM (w/CBA) vs Offeror B & C (w/o CBA)



- Cost avoidance over Offeror B is $6.0 million
- Cost avoidance over Offeror C is $19.3 million

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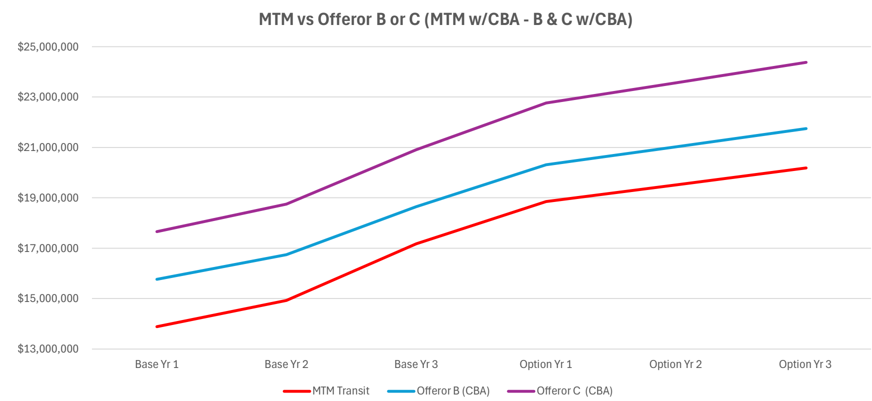
MTM (w/CBA) vs Offeror B or C (w/CBA)



- Cost avoidance over Offeror B is $9.7 million
- Cost avoidance over Offeror C is $23.5 million

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5

Contract Extension vs. Reprocure

Option	Benefits	Challenges / Risks
Extend Contract	• Uses the three 1-year options to continue momentum on performance enhancements • Prevents starting over with a new vendor • Known rate for the next three years	• Contractor becomes comfortable knowing they are secure for three more years
Reprocure	• Adjust the scope of work in areas needing attention	• Potential for significant cost increase • Turnover in institutional knowledge of the contract by change in management team

Market competitiveness: Area contracts bid or awarded show an approximate 15%+ increase in cost

6

6

Recommendation

Authorization for the Chief Executive Officer to execute a contract amendment with MTM Transit, LLC, to extend the contract through September 30, 2029.

7

VALLEY METRO

7

Executive Summary

DATE **AGENDA ITEM 4**
June 11, 2026

SUBJECT
Fiscal Year 2027 (FY27) Election of Valley Metro RPTA Board Officers and Subcommittee Positions

COST AND BUDGET
There is no cost associated with this item.

RECOMMENDATION
Letters of interest were received and based on those letters the slate of Board Officers and Subcommittee members listed below are presented for approval.

Board Officers (July 1, 2026 – June 30, 2027)
- RPTA Board Chair – Councilmember Max White, City of Avondale
- RPTA Board Vice Chair – Councilmember OD Harris, City of Chandler
- RPTA Board Treasurer – Supervisor Steve Gallardo, Maricopa County

Audit and Finance Subcommittee – 2 Year Term (July 1, 2026 – June 30, 2028)
- Councilmember Peggy McMahon, Town of Fountain Hills
- Open position

Valley Metro RPTA and Valley Metro Rail Joint Board Subcommittee
(July 1, 2026 – June 30, 2027)
- Councilmember Max White, City of Avondale
- Councilmember Lauren Tolmachoff, City of Glendale

COMMITTEE PROCESS
Board of Directors: June 18, 2026 for action

CONTACT
Pat Dillon
Manager, Executive & Board Initiatives
pdillon@valleymetro.org

ATTACHMENT
Letters of interest are available upon request

Executive Summary

DATE **AGENDA ITEM 5**
June 11, 2026

SUBJECT
Report on Current Events and Suggested Future Agenda Items

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COMMITTEE PROCESS
None

CONTACT
Jessica Mefford-Miller
Chief Executive Officer
jmeffordmiller@valleymetro.org

ATTACHMENT
None

Agenda

June 11, 2026

Valley Metro Rail
Board of Directors
Thursday, June 18, 2026
Boardroom/Webex
Valley Metro
101 N. 1st Avenue, 10th Floor
11:15 a.m.

CONSENT AGENDA	
1A. Minutes	1A. For action
Minutes from the May 21, 2026 Board meeting are presented for approval.	
1B. Federal Transit Administration Pass-Through Grant Agreement – Extension (5309)	1B. For action
Authorization for the Chief Executive Officer to execute an intergovernmental agreement extension with the City of Phoenix for the listed grant.	

REGULAR AGENDA	
2. Fiscal Year 2027 (FY27) Election of Valley Metro VMR Board Officers and Subcommittee Positions	2. For action
The Board will vote to elect Board officers and Board subcommittee positions for FY 2027.	
3. Report on Current Events and Suggested Future Agenda Items	3. For information
Chair Adams will provide members the opportunity to report on current events and suggest future agenda items for consideration.	
4. Next Meeting	4. For information
The next Board meeting is scheduled for **Thursday, August 27, 2026 at 11:15 a.m.**	

Qualified sign language interpreters are available with 72 hours notice. Materials in alternative formats are available upon request. For further information, please call Valley Metro at 602-262-7433. The supporting information for this agenda and the You Tube streaming link can be found on our web site at www.valleymetro.org.

Meeting Minutes

June 11, 2026 **AGENDA ITEM 1A**

Valley Metro Rail
Board of Directors
Thursday, May 21, 2026
Boardroom/Webex
Valley Metro
101 N. 1st Avenue, 10th Floor
11:15 a.m.

Members Present
Councilmember Jennifer Adams, City of Tempe, Vice Chair
Councilmember Francisco Heredia, City of Mesa
Councilmember Ann O'Brien, City of Phoenix

Chair Adams convened the meeting at 12:57 p.m. said welcome to the Valley Metro Rail Board of Directors meetings for May.

1. Consent Agenda

Chair Adams said the consent agenda is presented for action. Does the committee have any questions or are they, are, are there any items that need to be pulled for separate discussion? Seeing none, I request a motion and a second to approve the consent agendas items 1A and 1B

IT WAS MOVED BY COUNCILMEMBER HEREDIA, SECONDED BY COUNCILMEMBER O'BRIEN AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA.

2. Facilities Maintenance and Repair & Operations (MRO) and Industrial Supplies Contract Award – Grainger

Chair Adams said item two is Facilities Maintenance and Repair & Operations and Industrial Supplies Contract Award - Grainger. this item. Go ahead.

Mr. Rosenberg said the item before is a contract award with Grainger for a not to exceed amount of $1.4 million. This, as you can see to the slide, this gives us the ability to procure materials that we need to maintain our existing equipment. This contract does not obligate us to spend any funds, but really is just the mechanism for us to procure those to maintain the system And you see the recommendation before you and happy to answer any questions. Do we have any questions?

Chair Adams said seeing none. I request a motion and a second to approve the recommendation as presented on the screen.

IT WAS MOVED BY COUNCILMEMBER HEREDIA, SECONDED BY COUNCILMEMBER O'BRIEN AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO ENTER INTO A COOPERATIVE CONTRACT WITH W.W. GRAINGER INC., FOR FACILITIES MAINTENANCE AND REPAIR OPERATIONS AND INDUSTRIAL SUPPLIES, WITH A MAXIMUM TERM OF AUGUST 31, 2030, AS AMENDED. THE AGGREGATE VALUE OF THE CONTRACT WILL NOT EXCEED $1,397,807.

3. <u>Facilities Maintenance and Repair & Operations (MRO) and Industrial Supplies Contract Award – Fastenal Company</u>

Mr. Rosenberg said I also have the next item for you, the Facilities Maintenance and Repair, another Supply Contract with Fastenal.

This contract is also a five-year term with the not to exceed value of a little over $1.3 million. We procure some personal protective equipment, fashioners and small consumable items needed to do the maintenance on the system. Once again, this contract does not obligate us to spend money.

I'm happy to answer any questions.

Chair Adams said does the committee have any questions? I request the motion in second to approve the recommendation as presented on the screen.

IT WAS MOVED BY COUNCILMEMBER HEREDIA, SECONDED BY COUNCILMEMBER O'BRIEN AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO ENTER INTO A CONTRACT WITH FASTENAL COMPANY, FOR FACILITIES MAINTENANCE AND REPAIR OPERATIONS AND INDUSTRIAL SUPPLIES, WITH A MAXIMUM TERM OF AUGUST 31, 2030, AS AMENDED. THE AGGREGATE VALUE OF THE CONTRACT WILL NOT EXCEED $1,373,648.

4. <u>Valley Metro Rail, Inc. Fiscal Year 2027 (FY27) Proposed Operating and Capital Budget and Five-Year Operating Forecast and Capital Program (FY27 through FY31)</u>

Chair Adams said item four is the Valley Metro Fiscal Year 2027, Proposed Operating Capital Budget. I was Jessica to introduce this item.

Ms. Mefford-Miller said thank you. I'm going to let Ken Kessler our Chief Financial officer provide the presentation.

Mr. Kessler said thank you Jessica. Madam chairman members of the board. I'll be brief going through the VMR budget, so same process as develop developing the budget as RPTA, so you can see here base reductions of nearly $2 million, ongoing obligation items driving the budget about $9.7 million overall change in the budget $7.9 million increase year over year.

And then going through this is a table of those reductions to the base budget of about $1.8 million. You can see here the items there that make that up a number of items that we're able to identify from prior year that were not needed going forward.

And then in terms of those obligations, those cost drivers the year over year continuing commitments and inflationary items, you can see here a total of $9.7 million. Again, those contractual rate increases, inflation for parts and repairs and of course as well utility increases driving the year over year change there.

And then throughout the budget process since the fall, here's the summary of those items that we've been able to reduce. Again, contingency that reduction of $6.7 million again that was again that temporary contingency put in the budget for now to exceed an amount to provide to the members back in the fall overall reduction of $18 million.

Looking at the operating uses by program here, we see light rail is year over year increased 7% streetcar, about 4% increase and agency operating which is the just about the vast majority of all administrative costs for VMR Production of five, 5% year over year. So an overall 6 % change in the operating budget for VMR year over year.

Then looking at the sources that support the operating program, by and large member city contributions, making up the lion's share and then affairs and advertising and some federal funds as well supporting the operating program.

For the capital program, here you can see for FY27 we kind of shift away from the specific corridors being the primary drivers of the capital budget. We see future project development for those projects that are coming in the in the near term and general planning for our capital program and our, and our system build out being the majority of FY27 as well as state of good repair again as the original system and the, the extensions from the older extensions age, the cost of maintaining those and, and some of those, you know, midlife overhauls and refurbishments starting to pick up driving the state of good repair budget.

The sources that support the capital program for Valley Metro Rail, again, primarily federal funds and member city contributions that support the capital program.

And then looking at the VMR five-year forecast, about $7 hundred million 5-year operating program. Here you can see the, again, for the five years, just like for the FY27 budget year, member city contributions and fairs being the two main funding sources. And then on the use of funds, you see operations and maintenance and security there and then I do want to point out again the agency operating our administrative costs for VMR only comprised about 2.7% of the overall five-year operating program.

On the capital program, the sources of funds, about $1.2 billion program, again, federal funds, member city contributions being the main funding sources that support capital for VMR, and then on the uses, you can see for the total, West Phoenix.

At least option being the two largest portions of the program, but in the early years you see, it's really again, future project development state of good repair being a larger portion and those corridor specific projects later on in the five-year program begin to ramp up and then become a bigger part of the capital program.

Again, a recap of the dates that we've been sharing the budget and getting your feedback, and there's a recommendation and happy to answer any questions.

Chair Adams said thank you so much. Excellent presentation. Do we have any questions for Mr. Kessler? Seeing none. I request emotion as second to approve the recommendation as presented on the screen.

It was moved by Councilmember Heredia, seconded by Councilmember O'Brien and unanimously carried to approve the Valley Metro Rail, Inc. Fiscal Year 2027 (FY27) Proposed Operating and Capital Budget of $208.3 million and acceptance of the Five-Year Operating Forecast and Capital Program (FY27 through FY31).

5. Joint Board Subcommittee Election

I will request a motion and a second to elect Councilmember Jennifer Adams to the Joint Board Subcommittee to serve for the term ending June 30, 2026.

IT WAS MOVED BY COUNCILMEMBER O'BRIEN, SECONDED BY COUNCILMEMBER HEREDIA TO ELECT COUNCILMEMBER JENNIFER ADAMS TO THE JOINT BOARD SUBCOMMITTEE TO SERVE FOR THE TERM ENDING JUNE 30, 2026.

6. Election of FY27 Board Officers and Subcommittee Members

Chair Adams said item six is presented for information only. I will ask Pat Dillon to address this item.

Ms. Dillon said Chair members of the Board this item is very similar to what I presented and spoke to during the RPTA board meeting, letters of interest for positions at Valley Metro Rail include Chair and Vice Chair members of the Joint Board Subcommittee and any openings on the Audit and Finance Subcommittee. Those letters are due Friday, June 5 at 5:00 p.m.

Chair Adams said thank you, thank you so much, Pat.

7. Report on Current Events and Suggested Future Agenda Items

Chair Adams said do we have any current events or suggested future agenda items?

Alright, the next meeting will be Thursday, June 18 at 11:15 a.m. 11:15 a.m.

With no further discussion the meeting adjourned at 1:06 p.m.

Executive Summary

DATE **AGENDA ITEM 1B**
June 11, 2026

SUBJECT
Federal Transit Administration Pass-Through Grant Agreement – Extension (5309)

COST AND BUDGET
Valley Metro has Federal Transit Administration (“FTA”) funding of $27,499,128 remaining from section 5309 grant program.

All expenses are in the approved FY 2026 Adopted Capital Budget and 5-Year Capital Program. The grant funds will offset expenses, reducing the net cost to the Public Transportation Fund and member agency budgets.

RECOMMENDATION
Authorization for the Chief Executive Officer to execute an intergovernmental agreement extension with the City of Phoenix for the listed grant.

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals and strategies in the Five-Year Strategic Plan:

- Goal 9: Financial sustainability
  - Tactic 9.3: Maximize revenue generation.

COMMITTEE PROCESS
RTAG: May 19, 2026 for information
RMC: June 3, 2026 approved
Board of Directors: June 18, 2026 for action

CONTACT
Ken Kessler
Chief Financial Officer
kkessler@valleymetro.org

ATTACHMENT
None

Background Information

The City of Phoenix is the designated recipient of all FTA grant funds for the region. Valley Metro undertakes projects approved for FTA grant funding, then submits requests to Phoenix for reimbursement of actual expenses incurred. Phoenix then executes a drawdown of funds from FTA to pass through the reimbursement to Valley Metro.

This item serves the Agency's strategic plan by providing financial sustainability by offsetting expenses and reducing the net cost to the Public Transportation Funds and member agency budgets.

The table below summarizes the extension needed to spend down remaining funding.

Grant	FTA Program	Remaining Grant Balance	Extension
AZ-2021-001	**Section 5309**	**$27,499,128**	**9/30/2028**

- The remaining grant balance for the South Central Extension project will be used to cover the remaining project costs. The extension is needed to provide additional time to complete outstanding work, pay for the light rail vehicles, and pay for real estate costs before the grant expires on August 5, 2026.

Federal Transit Administration Pass-Through Grant Agreement- Extension

VALLEY METRO RAIL

1

FTA Pass-Through Grant Agreements

Grant	FTA Program	Remaining Grant Balance Federal Share	Extension
AZ-2021-001	Section 5309	$27,499,128	9/30/2028

- Current IGA end date is 8/5/2026
- Funding for South Central Extension project
- Additional time to complete outstanding work, pay for the light rail vehicles, and pay for real estate costs

2

VALLEY METRO

2

Recommendation

Authorization for the Chief Executive Officer to execute an IGA extension with the City of Phoenix for the listed grant.

3

VALLEY METRO

3

Executive Summary

DATE **AGENDA ITEM 2**
June 11, 2026

SUBJECT
Fiscal Year 2027 (FY27) Election of Valley Metro RPTA Board Officers and Subcommittee Positions

COST AND BUDGET
There is no cost associated with this item.

RECOMMENDATION
Letters of interest were received and based on those letters the slate of Board Officers and Subcommittee members listed below are presented for approval.

Board Officers (July 1, 2026 – June 30, 2027)
- VMR Board Chair – Councilmember Francisco Heredia, City of Mesa
- VMR Board Vice Chair – Councilmember Ann O'Brien, City of Phoenix

Valley Metro RPTA and Valley Metro Rail Joint Board Subcommittee (July 1, 2026 – June 30, 2027)
- Councilmember Francisco Heredia, City of Mesa
- Councilmember Ann O'Brien, City of Phoenix

COMMITTEE PROCESS
Board of Directors: June 18, 2026 for action

CONTACT
Pat Dillon
Manager, Executive and Board Initiatives
pdillon@valleymetro.org

ATTACHMENT
Letters of interest are available upon request

Executive Summary

DATE
June 11, 2026

AGENDA ITEM 3

SUBJECT
Report on Current Events and Suggested Future Agenda Items

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND/DISCUSSION/CONSIDERATION
None

COMMITTEE ACTION
None

CONTACT
Jessica Mefford-Miller
Chief Executive Officer
jmeffordmiller@valleymetro.org

ATTACHMENT
None