

Metro-North Railroad Procurements

Omar Messado, Assistant Deputy Chief Procurement Officer – MTA Office of the Chief Procurement Officer



PROCUREMENTS

The Procurement Agenda this month includes 2 actions for a proposed estimated expenditure of \$48.8M.

Subject	Request for Authorization to Award Various Procurements						December 12, 2024				
Departn	nent							Depart	ment		
	MTA P	Procuremen	nt								
Departn	nent Head Nan	ne						Depart	ment Head Name		
	Lisette	e Camilo									
Departn	nent Head Signature Department Head Signature										
Project Manager Name					1	Internal Approvals					
Rose Davis											
	10001		Action				1				
Order	То	Date	Арр	roval	Info	Other	1		Approval		Approval
1	-								President		
1	Committee	12/16/2	4		1	1			1 lesident		
2	Committee Board	12/16/2 12/18/2					1		SVP Operations Support	X	
2		-								X X	
2		-							SVP Operations Support		
2		-				Internal	Ap	provals (SVP Operations Support VP & General Counsel		
1 2 Order		12/18/2			Approv			provals (Drder	SVP Operations Support VP & General Counsel		Approval
	Board	12/18/2	4		Approv				SVP Operations Support VP & General Counsel cont.)	X	Approval
	Board Approv	12/18/2	4		Approv				SVP Operations Support VP & General Counsel cont.)	X	Approval

To obtain approval of the Board to award various contracts and purchase orders, and to inform the Metro-North Committee of these procurement actions.

DISCUSSION

Metro-North proposes to award Noncompetitive procurements in the following categories:

Procurements Requiring Two Thirds Vote:		<u># of</u>		<u>\$ Amount</u>		
		Actions				
Schedule A: Noncompetitive Purchases and Public Work Contracts	_	1	\$	4.5 M		
	SUBTOTAL	1	\$	4.5 M		
Metro-North proposes to award Competitive procurements in the follo	owing categories:					
Procurements Requiring Majority Vote:		<u># of</u>		\$ Amount		
		<u>Actions</u>				
Schedule G: Miscellaneous Service Contracts		1	\$	44.3 M		
	SUBTOTAL	1	\$	44.3 M		
Metro-North proposes to award Ratifications in the following categories: None						
	TOTAL	2	\$	48.8 M		

COMPETITIVE BIDDING REQUIREMENTS: The procurement actions in Schedules A, B, C, and D are subject to the competitive bidding requirements of PAL 1209 or 1265-a relating to contracts for the purchase of goods or public work. Procurement actions in the remaining Schedules are not subject to these requirements.

BUDGET IMPACT: The purchases/contracts will result in obligating funds in the amounts listed. Funds are available in the current operating/capital budgets for this purpose.

RECOMMENDATION: That the purchases/contracts be approved as proposed. (Items are included in the resolution of approval at the beginning of the Procurement Section.)

BOARD RESOLUTION

WHEREAS, in accordance with Sections 1265-a and 1209 of the Public Authorities Law and the All-Agency General Contract Procurement Guidelines, the Board authorizes the award of certain noncompetitive purchase and public work contracts, and the solicitation and award of requests for proposals regarding purchase and public work contracts; and

WHEREAS, in accordance with the All-Agency Service Contract Procurement Guidelines and General Contract Procurement Guidelines the Board authorizes the award of certain noncompetitive miscellaneous service and miscellaneous procurement contracts, certain change orders to purchase, public work, and miscellaneous service and miscellaneous procurement contracts, and

WHEREAS, in accordance with Section 2879 of the Public Authorities Law and the All-Agency Service Contract Procurement Guidelines, the Board authorizes the award of certain service contracts and certain change orders to service contracts.

NOW, the Board resolves as follows:

1. As to each purchase and public work contract set forth in annexed Schedule A, the Board declares competitive bidding to be impractical or inappropriate for the reasons specified therein and authorizes the execution of each such contract.

2. As to each request for proposals (for purchase and public work contracts) set forth in Schedule B for which authorization to solicit proposals is requested, for the reasons specified therein, the Board declares competitive bidding to be impractical or inappropriate, declares it is in the public interest to solicit competitive request for proposals, and authorizes the solicitation of such proposals.

3. As to each request for proposals (for purchase and public work contracts) set forth in Schedule C for which a recommendation is made to award the contract, the Board authorizes the execution of said contract.

4. As to each action set forth in Schedule D, the Board declares competitive bidding impractical or inappropriate for the reasons specified therein and ratifies each action for which ratification is requested.

5. The Board authorizes the execution of each of the following for which Board authorization is required: (i) the miscellaneous procurement contracts set forth in Schedule E; (ii) the personal service contracts set forth in Schedule F; (iii) the miscellaneous service contracts set forth in Schedule G; (iv) the modifications to personal/miscellaneous service contracts set forth in Schedule H; (v) the contract modifications to purchase and public work contracts set forth in Schedule I; and (vi) the modifications to miscellaneous procurement contracts set forth in Schedule J.

6. The Board ratifies each action taken set forth in Schedule K for which ratification is requested.



DECEMBER 2024

LIST OF NONCOMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

A. <u>Noncompetitive Purchase and Public Works Contracts</u> (Staff Summaries required for items estimated to be greater than \$1,000,000.)

1. BBM Railway Equipment, LLC 3 years + two 1-year Options Contract #MN249632 \$4,452,474 (estimated)

Staff Summary Attached

Award of a contract for the preventative maintenance, inspection, repair and parts supply for Car Hoists and Truck Turntables.

Schedule A: Noncompetitive Purchases and Public Work Contracts



Vendor Name (Location)	Contract Number	Renewal?
BBM Railway Equipment, LLC (Youngstown, Ohio)	MN249632	Yes No
Description	Total Amount:	\$4,452,474
Inspection, Maintenance & Parts Supply of Car Hoists & Turntables		(estimate)
Contract Term (including Options, if any): Three years with two 1-year options		MNR: \$809,348 LIRR: \$3,643,126
Option(s) included in Total Amount?	Funding Source Operating Capital Federal	Other:
Procurement Type	Requesting Departments	
Competitive Noncompetitive		
Solicitation Type	MNR: Maintenance of Equipment, Jeffrey We LIRR: Maintenance of Equipment, John Stol	

Discussion:

Item Number:

Metro-North Railroad ("MNR"), on behalf of itself and Long Island Rail Road ("LIRR") (collectively, the "Railroads"), requests approval to award a three-year sole-source estimated quantity miscellaneous procurement contract for Preventative Maintenance, Inspection, Repair and Parts Supply for Car Hoists and Truck Turntables, manufactured by Macton Corporation ("Macton"), in the estimated amount of \$2,671,484 to BBM Railway Equipment, LLC ("BBM"). The Board is also requested to authorize the MNR Assistant Deputy Chief Procurement Officer to approve the exercise of two 1-year options in the total amount of \$1,780,990, pending the approval of funding.

This procurement was conducted as a joint-agency initiative to leverage the combined buying power of the Railroads. The multi-year contract assures the Railroads that BBM, as the original equipment manufacturer, will continue to maintain its tooling and manufacturing capabilities necessary to produce the parts, which are not available from other sources.

This equipment is vital to the Railroads' railcar maintenance operations, which allows rail shop personnel to lift, turn, rotate, and otherwise move rail vehicles and truck assemblies for inspection and maintenance purposes. The mechanical operations are intricate in nature (e.g. control panels, hydraulics, drives, and other systems), which are necessary to ensure safe manual operation. The price structure provides the Railroads with inspections and scheduled maintenance at intervals to ensure functionality. Further, LIRR has an additional requirement for parts and material to support its management of inventory to conduct in-house repairs. The contract also provides the Railroads with emergency repair, when needed.

In early 2019, BBM acquired all of Macton's machinery, inventory, and intellectual property rights.

In accordance with MTA All-Agency Procurement Guideline requirements, the Railroads advertised their intent to procure the services and items on a sole-source basis in the *New York State Contract Reporter* and *Journal News* and on the MTA website. No other firms expressed interest in participating in this procurement.

BBM submitted its initial pricing with fixed rates over three years totaling \$4,747,572 that included a one-time 5 percent escalation for option years 4 and 5. Through negotiations, MNR obtained reductions in pricing on a series of line items for parts and service and obtained fixed pricing for the entire contract duration, including the option years, resulting in a total cost savings of 6.2 percent or \$295,098.

The Cost Price unit's comparison of the existing contract's average annual rate to the new contract's average annual rate, including option years 4 and 5, shows an increase of 1.9 percent which is below the historical annual average of the Producer Price Index of 3.9 percent. Based on this analysis, the revised pricing is deemed fair and reasonable.

As the incumbent, BBM continues to support the Railroads, and its performance has been satisfactory.

This contract has been evaluated to determine the necessity and appropriate scope, if any, of cybersecurity requirements, including any requirements under federal, state, and local law and regulations. Any applicable cybersecurity requirements, to the extent required, will be included in the contract terms and conditions.

Schedule A: Noncompetitive Purchases and Public Work Contracts



BBM has certified that pursuant to EO 16, it is not doing business in Russia.

M/W/DBE Information

The MTA Department of Diversity and Civil Rights has assigned zero percent M/WBE goals on this contract, due to the lack of subcontracting opportunities and MWBE firms in the marketplace.

Impact on Funding

This procurement will be funded by each Railroad's Operating Budget.

Alternatives

None. The Railroads do not possess the resources to provide these services and parts in-house.

DECEMBER 2024

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

- G. <u>Miscellaneous Service Contracts</u> (Staff Summaries required for items estimated to be greater than \$1,000,000.)
- 1. Port Imperial Ferry Corp. d/b/a NY Waterway \$44,293,662 (not to exceed) Staff Summary Attached 4 years w/three 2-year Options Contract #MN241812

Award of a contract for the provision of ferry and ancillary services for the Haverstraw-Ossining and Newburgh-Beacon routes.

Schedule G: Miscellaneous Service Contracts

Item Number:

Vendor Name (Location)	Contract Number	Renewal?		
Port Imperial Ferry Corp. d/b/a NY Waterway (Weehawken, New Jersey)	MN241812	🛛 Yes 🗌 No		
Description	Total Amount:	\$44,293,262		
Ferry Services (Including Ancillary Services)		(not to exceed)		
Contract Term (including Options, if any):		(
Four years with three 2-year options	Funding Source			
Option(s) included in Total Amount? ⊠ Yes □ No □ n/a	 ☑ Operating □ Capital ☑ Federal ☑ Other: NYSDOT / UniTicket Revenue 			
Procurement Type: 🛛 Competitive 🗌 Noncompetitive	Requesting Department Sean Fahey, Senior Director, Service Design Department			
Solicitation Type: RFP Bid Other:				

Discussion:

Metro-North Railroad ("MNR") requests approval to award a four-year competitively solicited miscellaneous service contract in the not-toexceed amount of \$16,781,539 to Port Imperial Ferry Corp. d/b/a NY Waterway ("NY Waterway") to provide ferry and ancillary services (the "Services") for the Haverstraw-Ossining and Newburgh-Beacon routes. The Board is also requested to authorize the MNR Assistant Deputy Chief Procurement Officer to approve the exercise of three, 2-year options in the total amount of \$27,511,723, pending the approval of funding.

After a successful demonstration project and subsequent MTA Board approval, the Haverstraw-Ossining Ferry service began in September 2000, followed by the Newburgh-Beacon Ferry Service in October 2005. Both routes currently provide regularly scheduled commuter ferry service Monday through Friday during morning and evening peak times. Ancillary services provided include, but are not limited to, daily maintenance of the parking facilities, trash removal, snow removal, and typical maintenance of the dock such as replacement of light fixtures or stair/ramp treads. In the event of ferry service disruptions, NY Waterway will provide contingency bus services.

On September13, 2024, MNR Procurement issued a notification of the RFP to 16 firms, including three known in the industry to perform this type of work, requesting the submission of technical and cost proposals. In accordance with MTA Procurement Guidelines, an advertisement for the above-referenced services was publicly advertised in the *Journal News*, *New York State Contract Reporter*, and posted on the MTA website. Ten firms received the RFPs.

On October 25, 2024, a single proposal was received from NY Waterway. The Selection Committee ("SC"), consisting of representatives from MNR's Service Design, Government & Community Relations and Stations Operations departments, reviewed the written technical proposal utilizing the selection criteria, listed in relative order of importance: (1) demonstrated understanding of the work scope requirements, including but not limited to the quality and completeness of any required submissions; (2) confidence level of the proposer concerning the project, commitment of relevant resources to the project including the qualifications of key personnel and reliability to perform the Services including Subconsultant/Subcontractor Services; (3) past experience with similar projects; (4) cost; and (5) project plan (detailed description of how the Services will be performed).

The SC evaluated NY Waterway's technical proposal based on the selection criteria and subsequently invited NY Waterway to conduct a presentation and participate in a question-and-answer session. The SC deemed NY Waterway technically qualified to perform the work, as it (1) exceeds all requirements set forth in the RFP; and (2) has over the past ten years demonstrated as the incumbent, that it has the fleet size, understanding, experience, staff, safety record, on-time performance, buses, parking lot management experience and commitment to perform the required services at a high level of customer satisfaction. After a thorough evaluation of NY Waterway's technical evaluation and presentation, the SC unanimously selected NY Waterway for negotiations.

NY Waterway initially proposed an hourly rate of \$846 for operating services (representing 95 percent of the overall contract value) including but not limited to the charter, operation and maintenance of the vessels; the crew, on-board ticketing, and maintenance of the docks; and \$42 per hour for parking facility services including but not limited to trash removal, pothole repair, sweeping of the parking facilities, snow removal, and maintenance of posted signage for the first year for both the Haverstraw-Ossining and Newburgh-Beacon routes. The proposal included a 2 percent annual escalation for each of years 2–4 of the base contract term, increasing to a 3 percent escalation for each elected two-year option term.

Schedule G: Miscellaneous Service Contracts



Through negotiations, MNR secured a reduced hourly rate of \$834 for operating services, which is 1.4 percent less than the initially proposed rate, and \$36 for parking facility services which is 14.2 percent less than the initially proposed rate for the first year for both the Haverstraw-Ossining and Newburgh-Beacon routes. This represents a total cost savings of approximately 2.03 percent, or \$916,412 for the base and option years, compared to the original proposal. The Cost Price unit's comparison of the existing contract's average annual operating rate, including options, shows an increase of 2.44 percent which is below the Consumer Price Index average of 3 percent over the past 10 years. Accordingly, the revised pricing is considered fair and reasonable.

The SC unanimously recommended award to NY Waterway based on its qualifications, significant resources, and ability to provide the best value to the MTA. As the incumbent, NY Waterway has historically provided this service, and their performance has been satisfactory.

This contract has been evaluated to determine the necessity and appropriate scope, if any, of cybersecurity requirements, including any requirements under federal, state, and local law and regulations. Any applicable cybersecurity requirements have been included in the contract terms and conditions.

NY Waterway has certified that pursuant to EO 16, it is not doing business in Russia.

M/W/DBE Information

The MTA Department of Diversity and Civil Rights established a 22.5 percent DBE goal for this contract.

Impact on Funding

The ferry service will be funded by MNR's Operating Budget (23 percent), federal funding (39 percent), and NYS Department of Transportation (38 percent).

<u>Alternatives</u>

There are currently no alternatives for these services.