


New York City Transit Procurements

Louis Montanti, MTA Deputy Chief Procurement Officer – Procurement Operations

PROCUREMENTS

The Procurement Agenda this month includes 4 actions for a proposed estimated expenditure of \$365.8M.

Subject Request for Authorization to Award Various Procurements					
Department MTA Procurement					
Department Head Name Lisette Camilo					
Department Head Signature <i>Lisette Camilo</i>					
Project Manager Name Rose Davis					
Board Action					
Order	To	Date	Approval	Info	Other
1	Committee	02/24/25			
2	Board	02/26/25			

February 20, 2025			
Department			
Department Head Name			
Department Head Signature			
Internal Approvals			
	Approval		Approval
	President NYCT	X	Pres. MTA Bus/SVP DOB
X	Co-CFO	X	SVP Subways
X	Law	X	Diversity/Civil Rights

Internal Approvals (cont.)							
Order	Approval	Order	Approval	Order	Approval	Order	Approval

PURPOSE

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

DISCUSSION

NYC Transit proposes to award Noncompetitive procurements in the following categories:

Procurements Requiring Two Thirds Vote:

	<u># of Actions</u>	<u>\$ Amount</u>
Schedule A: Noncompetitive Purchases and Public Work Contracts	1	\$ 122.2 M
SUBTOTAL	1	\$ 122.2 M

NYC Transit proposes to award Competitive procurements in the following categories:

Procurements Requiring Majority Vote:

Schedule H: Modifications to Personal/Miscellaneous Service Contracts	3	\$ 243.6 M
SUBTOTAL	3	\$ 243.6 M

NYC Transit proposes to award Ratifications in the following categories: None

TOTAL	4	\$ 365.8 M
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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.

FEBRUARY 2025

LIST OF NONCOMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

A. Noncompetitive Purchases and Public Work Contracts

(Staff Summaries required for items estimated to be greater than \$1,000,000.)

- | | | |
|--------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------------|
| 1. Kawasaki Rail Car, Inc.
Five years
Contract# TBD | \$122,200,000 | <i>Staff Summary Attached</i> |
| Contract award for the sole-source procurement of truck components and car body replacement parts, components, assemblies, and kits. | | |

Schedule A: Noncompetitive Purchases and Public Work Contracts



Item Number: 1

Vendor Name (Location) Kawasaki Rail Car, Inc. (Yonkers, New York)
Description Parts Pricing Agreement for Sole-Source Replacement Parts
Contract Term (including Options, if any) Five Years (April 1, 2025–March 31, 2030)
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Noncompetitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole-Source

Contract Number TBD	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Total Amount: \$122,200,000 (Est.)	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept. Dept. of Subways, William Amarosa Jr.	

Discussion:

As a result of a multiagency Joint Procurement, NYC Transit, on behalf of itself, Long Island Rail Road (“LIRR”), and Metro-North Railroad (“MNR”) (collectively “the Agencies”) requests Board approval to award a five-year estimated quantity contract for sole-source replacement parts to Kawasaki Rail Car, Inc. (“KRC”) in the estimated value of \$122.2 million. The contract covers the furnishing of various replacement parts identified as obtainable only from or through KRC, which are required for the Agencies to operate and maintain their respective fleets of rolling stock that currently include, but are not limited to, NYC Transit’s R62, R68A, R142A, R143, R160, R188, and R211 subway cars; LIRR’s C-3 coach and M-9 electric railcars; and MNR’s M-8 electric railcars. KRC is also the sole distributor and reseller for Toshiba International Corporation (“Toshiba”), certain items from Fuji Electric Corporation of America (“Fuji”), and Koito Industries (“Koito”). (Toshiba is a manufacturer of the Auxiliary Power Electric systems; Fuji is a manufacturer of the Door system; and Koito is a manufacturer of the Monitoring and Diagnostics systems for NYC Transit subway cars.)

This is the first time requirements to be provided by KRC are based on the needs of all three Agencies. Utilizing a joint procurement approach for this contract combines the buying power of the NYC Transit, LIRR, and MNR to achieve the most favorable pricing for the Agencies and better supply chain management for KRC. Additional benefits are the process efficiencies that will reduce Procurement’s lead time needed to award individual procurements, as well as a reduction in the number and frequency of individual purchases of various items identified as obtainable only from KRC for the following reasons: sole prequalified item on the Qualified Products List and not available from any distributors or other sources; publicly advertised within a 12-month period without an acceptable alternate supplier; or proprietary to KRC. A list of KRC sole-source items, as well as the Agencies’ intention to purchase these items without competitive bidding, is available for download from the MTA website at any time by any prospective vendor. Furthermore, in accordance with the MTA All-Agency Procurement Guideline requirements, the Agencies publicly advertised its intent to procure the items under this agreement on a sole-source basis in the *New York State Contract Reporter* and *Daily News*. No other firms expressed interest in participating in these procurements.

Under this new contract, NYC Transit, LIRR, and MNR will continue to support its Scheduled Maintenance, Life Cycle Maintenance, and Reliability Centered Maintenance programs with parts that are replaced at prescribed intervals to ensure safety, maintain high car reliability and availability, as well as improve customer service. Additionally, the contract includes the parts required to perform unscheduled maintenance and repairs on rail and subway cars to ensure safe, reliable, and maintainable operation.

Of the overall estimated value, approximately 70 percent, or \$84,430,209, of the agreement has firm fixed pricing (1,301 items) for the initial three years of the term of the contract, and for the balance of the term (two years), pricing shall be adjusted up or down as of the third anniversary using a Producer Price Index. The value of the remaining 30 percent, or \$37,769,791 of the agreement, was established using estimated pricing and includes items not yet identified or items whose requirements had not yet been determined that may need to be purchased and/or added to the contract. The pricing for these items will be negotiated on an as-required basis and will be subject to a cost and/or price analysis as well as the most favored customer pricing clause. Through extensive negotiations coupled with the unified purchasing approach provided by this joint procurement, the MTA achieved an estimated cost savings of \$9,582,696. For the firm fixed price items, the MTA Cost Price Analysis Unit performed a detailed analysis using comparative and historical data of previous purchases and determined the pricing to be fair and reasonable.

The chart below summarizes the estimated amounts anticipated to be expended with each Agency over the five-year term of the contract.

NYC Transit	LIRR	MNR	TOTAL
\$15,000,000	\$52,000,000	\$55,200,000	\$122,200,000

The total dollars outlined above are based on historical data and projected/forecasted usage.

KRC is the sole responsible source for the parts that will be provided under this contract. No other vendor can access the proprietary designs, specifications, and drawings and, therefore, cannot readily provide these parts. The Controller's Office found that there was reasonable assurance that KRC is financially qualified to perform this contract.

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 laws and regulations. Cybersecurity requirements have been included in the contract terms and conditions.

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

This contract is subject to review and approval of the Office of the New York State Comptroller ("OSC"), and an award will not be made prior to OSC approval.

A review of KRC's overall performance, inclusive of quality of material, customer responsiveness, and delivery has been deemed to be satisfactory by the Agencies.

M/W/DBE Information

MTA Department of Diversity and Civil Rights does not assign goals to commodities.

Impact on Funding

This procurement is to be funded by each Agency's Operating Budget.

FEBRUARY 2025

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

H. Modification to Personal & Miscellaneous Service Contracts Awarded as Contracts for Services
(Staff Summaries required for items estimated to be greater than \$1,000,000.)

2.	PTM Management Corp.	\$158,412,004	<i>Staff Summary Attached</i>
3.	NY Paratransit Group	\$85,195,692	↓
4.	AMR All-Transit LLC	\$0.00	↓

Contract Terms: Each up to two years

Contract #s 6%25792.2 / 6%25834.2 / 6%28783.2

Modification to the contracts in order to exercise the Option years for the provision of Access-A-Ride Primary Carrier Transportation Service for Paratransit.



Item Numbers 2–4

Vendor Names (Locations) PTM Management Corp (Queens, New York) NY Paratransit Group (Brooklyn, New York) AMR All-Transit LLC (New Hyde Park, New York)	Contract Numbers 6%25792 (PTM) 6%25834 (NYPG) 6%28783 (AMR)	AWO/Mod. #s 2 2 2
Description: Primary Carrier Service Option Years for Paratransit	Original Amounts: 6%25792 \$ 175,202,867 6%25834 \$ 485,509,613 6%28783 \$ 202,265,572	
Contract Term (including Options, if any) Five years; Options up to 2 years	Prior Modifications: 6%25792 \$ 35,352 6%25834 \$ 52,079 6%28783 \$ 33,241	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a	Prior Budgetary Increases 6%25792 \$ 0.00 6%25834 \$ 0.00 6%28783 \$ 0.00	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	Current Amounts: 6%25792 \$ 175,238,219 6%25834 \$ 485,561,692 6%28783 \$ 202,298,813	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	This Request: 6%25792 \$ 158,412,004 6%25834 \$ 85,195,692 6%28783 \$ 0.00	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	% of This Request to Current Amount: 6%25792 90.40% 6%25834 17.55% 6%28783 0.00%	
Requesting Department: Department of Paratransit, Rachel Cohen, Acting VP	% of Modifications (including This Request) to Original Amount: 6%25792 90.44% 6%25834 17.56% 6%28783 0.02%	

Discussion:

NYC Transit is seeking Board approval to exercise the Option years (April 1, 2025–March 31, 2027) of contracts 6%25792 with PTM Management Corp. (“PTM”), 6%25834 with NY Paratransit Group (“NYPG”), and 6%28783 with AMR All-Transit LLC (“AMR”) for the provision of Access-A-Ride Primary Carrier Transportation Service for the Department of Paratransit (“Paratransit”). PTM’s contract amendment will also include the addition of a second facility in Queens. Total funding requested for the option period is \$243,607,696; the breakdown is as follows: \$158,412,004 is requested for PTM, \$85,195,692 is requested for NYPG, and no additional funding is requested for AMR.

Paratransit provides origin-to-destination shared-ride transportation services under the name Access-A-Ride (“AAR”) for people with disabilities who meet the eligibility criteria in accordance with the Americans with Disabilities Act of 1990. AAR service is provided through two different approaches: dedicated service and non-dedicated service. Dedicated service providers are known as Primary Carriers whose business is to transport NYC Transit AAR customers using NYC Transit-owned vehicles. Non-dedicated service providers, such as Broker Car Service and Supplemental Service, perform AAR service in concert with their existing operations. Brokers utilize taxis and for-hire vehicles while Supplemental providers utilize their own vehicles and dedicate a block of time to AAR service outside of their other operations.

In 2019, Request for Proposal (“RFP”) 179562 was competitively solicited to continue the Primary Carrier mode of transportation as a fundamental element for NYC Transit’s AAR customers who require a wheelchair-equipped and/or a lift-equipped vehicle. Approximately 21 percent of all AAR trips are performed using the Primary Carrier mode of service for AAR customers. The RFP resulted in the awards of four contracts in Q1 2020, each with a base term of five years and an option to extend for an additional two years: PTM with a location in Queens; NYPG (a joint-venture entity between the veteran-Primary Carriers Maggies and GVC II) with locations in Brooklyn and the

Bronx respectively; AMR with locations in Far Rockaway and College Point (College Point was closed in 2023 due to AMR’s failure to meet its contractual agreement); and MV Transportation (“MV”) with locations in Staten Island, Brooklyn, and Manhattan. All four Primary Carrier contracts are set to expire on March 31, 2025.

There was one prior modification to all Primary Carrier contracts. In April 2024, Modification 1 enabled the Primary Carriers to install two dual electric vehicle (“EV”) charging stations at each of their operating facilities, as Paratransit is currently piloting 15 EV paratransit buses. This modification will memorialize NYC Transit’s decision to exercise its option on three of the four contracts (PTM, NYPG, and AMR), extending each of their terms for two years (April 1, 2025–March 31, 2027). NYC Transit has chosen not to exercise its option to extend MV’s contract due to persistent compliance failures and marginal performance, which MV has been unable to resolve despite numerous opportunities to cure.

Paratransit continues to experience increasing AAR ridership trends. All-time highs were met in the fourth quarter of 2024, and continued growth is expected into the first and second quarters of 2025. Based on the projected ridership increases, as well as losing one Primary Carrier, each of the remaining Primary Carriers has committed to increasing the size of its fleet. It is anticipated that NYPG will reach 600 vehicles (350 for Maggies, 250 for GVC II), AMR will reach 150 vehicles and PTM will reach 250 at its existing Queens facility, and up to 200 at its second Queens facility.

Pricing for Primary Carrier service is based on an all-in operating rate per Vehicle Service Hour (“VSH”). This structure is comprised of total operating expenses per VSH pricing (tiered by minimum and maximum number of vehicles and by ranges of service hours performed per vehicle, per month), and maintenance pricing per VSH. The pricing in these contracts is adjusted annually based on the Consumer Price Index, which has increased by approximately 18.75 percent over the last four years. The option years were included in the fair and reasonable determination at the time of award.

The NYC Transit Controller’s Office performed an updated financial analysis of PTM, NYPG, and AMR and found each to be financially qualified to perform the work.

PTM, NYPG, and AMR have each certified that pursuant to EO 16, it is not doing business in Russia.

PTM, NYPG, and AMR have all consistently performed satisfactorily, meeting or exceeding performance standards for the AAR program.

The modification awarded to PTM resulting from this procurement was evaluated to determine the necessity and appropriate scope, if any, of cybersecurity requirements, including any requirements under federal, state, and local law and regulations. PTM has certified compliance with the MTA’s cybersecurity requirements. Applicable cybersecurity requirements have been included in the contract terms and conditions.

The modification awarded to NYPG 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, shall be included in the contract terms and conditions.

The modification awarded to AMR 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, shall be included in the contract terms and conditions.