

New York City Transit Procurements

Louis Montanti, MTA Deputy Chief Procurement Officer – Procurement Operations

PROCUREMENTS

The Procurement Agenda this month includes 3 actions for a proposed estimated expenditure of \$330.7M.

Subject Request for Authorization to Award Various Procurements						September 26, 2025			
Department MTA Procurement						Department			
Department Head Name Lisette Camilo						Department Head Name			
Department Head Signature						Department Head Signature			
Project Manager Name Rose Davis						Internal Approvals			
Board Action									
Order	To	Date	Approval	Info	Other		Approval		Approval
1	Committee	9/29/25					President NYCT		SVP Buses
2	Board	9/30/25					CFO		Subways
							Law		Diversity/Civil Rights
Internal Approvals (cont.)									
Order	Approval		Order	Approval		Order	Approval		Order

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

Schedules Requiring Two-Thirds Vote:	# of Actions	\$ Amount
Schedule D: Ratification of Completed Procurement Actions	2	\$ 330.7 M
TOTAL	2	\$ 330.7 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.

SEPTEMBER 2025

LIST OF RATIFICATIONS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

D. Ratification of Completed Procurement Actions

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

- | | | |
|--|---------------|-------------------------------|
| 1. Hayden AI Inc. | \$218,588,922 | <i>Staff Summary Attached</i> |
| 2. Seon [USA] Corp | \$40,121,280 | ↓ |
| 65 months (Hayden) / 48 months (Seon) | | |
| B64049.2 / B62063.1 | | |
| Ratification of the awards of two modifications awarded under an Immediate Operating Need for Automated Camera Enforcement. Both awards include options to extend for up to six years beyond their expiration dates. | | |
| 3. RideCo US Inc | \$71,951,068 | <i>Staff Summary Attached</i> |
| Up to 18 months (Implementation) + 7 years (Operating) + Option Up to 3 years (Maintenance / Support) | | |
| Contract# 6%36822 | | |
| Contract for Paratransit technology solution; Ratification of an Immediate Operating Need. | | |

Item Number: 1–2

Vendor Name (Location) Hayden AI Inc (San Francisco, California) Seon [USA] Corp. (Bellingham, Washington)	Contract Number B64049 Mod. 2 (Hayden) B62063 Mod. 1 (Seon)	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Description Automated Camera Enforcement	Total Amount: \$258,710,202 (excluding options) <div style="text-align: right;"> Hayden: \$218,588,922 Seon \$40,121,280 </div>	
Contract Terms (including Options, if any) Hayden: 65 Months base term (July 2022–December 2027) Seon: 48 Months base term (April 2024–April 2028) Options to extend both contracts for six years (2028–2033)		
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> n/a	Funding Source <input checked="" type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Noncompetitive	Requesting Department: Department of Buses, Chris Pangilinan	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Negotiated		

Discussion:

It is requested that the Board formally ratify the award of two modifications awarded under an Immediate Operating Need (“ION”) as approved by the Deputy Chief Procurement Officer, MTA Procurement, and ratified by the April 2024 Board waiving competitive bidding pursuant to Article III, Paragraph A, of the All-Agency Procurement Guidelines and Public Authorities Law 1209, subsection 9(a); B62049 Modification 2 to Hayden AI, Inc. (“Hayden”) in the estimated amount of \$218,588,922, and B62063 Modification 1 to Seon [USA] Corp (“Seon”) in the estimated amount of \$98,527,060. Both awards include options to extend for up to six years beyond their expiration dates. Procurement will obtain Board approval prior to exercising any option years from Hayden and/or Seon.

Improving the enforcement of traffic restrictions is a critical element to ensuring the success of MTA’s strategic goal of providing twenty-first century bus service. NYC Transit continues to develop aggressive and sustainable strategies, while also researching best practices around the country and outside the United States for approaches to making bus trips faster. The implementation of an Automated Camera Enforcement (“ACE”) system has automated the enforcement process by issuing violation notices to owners of vehicles observed disregarding various traffic regulations during the enforcement period.

In 2012, NYC Transit, with the assistance of the NYC Department of Transportation, was permitted to conduct a limited Automated Bus Lane Enforcement (“ABLE”) proof-of-concept with Zenco Systems, Ltd. (“Zenco”). This process proved that the Zenco ABLE system was well suited to work with NYC enforcement laws and the NYC operating environment. It should be noted that Zenco was acquired by Siemens Mobility, Inc. (“Siemens”) in 2015. Following the declaration of an ION on June 5, 2018, a contract was negotiated and awarded to Siemens (February 2019) for the installation of 123 ABLE systems and related evidence processing. The contract was subsequently ratified by the March 2019 Board, later assigned to Yunex Traffic LLC (December 2021), and was allowed to expire in 2023 due to performance-related issues.

In an effort to foster competition, a Request for Information (“RFI”) was issued in June 2019 seeking additional vendors capable of furnishing ABLE systems. Responses were received from eight vendors. Following a series of meetings with the responding vendors, the Department of Buses (“DOB”) entered into test agreements with Hayden and Seon in October 2020 and January 2021 respectively. DOB subsequently began intensive field testing to assist Hayden and Seon in the development of their ABLE systems and completion of the required certification testing prior to the award of any new contracts for widescale deployment.

Pursuant to the ION as amended on May 11, 2022, Hayden was awarded a three-year contract on July 8, 2022, for the provision of ABLE services on 300 buses in the estimated amount of \$19,655,898. On May 7, 2023, Hayden filed the first of several lawsuits, which included a preliminary injunction, against Seon and Safe Fleet (Seon’s parent company) alleging patent infringement. Upon the advice of the Law Department and outside counsel, all work with Seon regarding its ABLE system was suspended.

In an effort to meet the publicly stated timelines of the ABLE program, and in light of the Authority’s inability to award an ABLE contract to Seon, Modification 1 was awarded to Hayden on December 21, 2023, in the estimated amount of \$63,477,161, bringing the total value of the Hayden contract to \$83,133,059. Modification 1 extended the contract term through December 2027 and added an additional 723 ABLE systems, for a total of 1,023 systems.

On February 23, 2024, the Eastern District of New York issued a Memorandum & Order denying Hayden’s preliminary injunction. In keeping with DOB’s strategy to foster competition in the enforcement space as well as reduce risk exposure by having more than one qualified vendor, negotiations with Seon resumed. On April 26, 2024, Seon was awarded a three-year contract for ABLE services on 1,000 buses in the estimated amount of \$58,405,780.

It should be noted that the April 2024 Board ratified the awards of both the base contract and Modification 1 to Hayden, as well as the base contract awarded to Seon.

Following legislative approval to monitor and ticket vehicles obstructing bus stops as well as double-parked vehicles, the DOB changed the name of this project from ABLE to ACE, updated the scope of work, and requested that Procurement negotiate with Hayden and Seon to add the enforcement of bus stops and double-parked vehicles to their respective contracts.

In response to Procurement’s outreach, Hayden submitted its initial proposal for the upgrade to ACE and up to 1,000 additional ACE systems in the total amount of \$248,319,771 in February 2024. Following protracted negotiations with Procurement and the Cost Price Analysis Unit (“CPAU”), Hayden submitted its BAFO in the amount of \$218,588,922, which was \$29,730,849 or 12 percent less than its initial proposal. Hayden’s final proposal was deemed fair and reasonable by CPAU, and Modification 2 was awarded to Hayden on June 17, 2024, bringing the total value of this contract to \$301,721,980. This Modification 2 also includes up to six option years for up to 2,023 systems in the estimated amount of \$434,880,193. The total estimated amount for Modification 2, if all options are exercised, is \$653,469,115, which would bring the overall value of this contract to \$736,602,173.

Hayden	
Initial Award	\$ 19,655,898
Mod 1	\$ 63,477,161
Mod 2	\$ 218,588,922
Total Contract Value	\$ 301,721,980
6 Option years (2028–2033)	\$ 434,880,193
Total Contract Value with Options	\$ 736,602,173

In response to Procurement’s outreach, Seon submitted its initial proposal for the upgrade to ACE in the total amount of \$35,460,000 in February 2025. Subsequent to legislative approval of bicycle lane enforcement and the anticipated approval of paratransit vehicle stop enforcement later this year, Seon was asked to add the two new enforcement types to its ACE system’s functionality. Seon submitted its second proposal in the total amount of \$40,289,280. Following negotiations with Procurement and CPAU, Seon submitted its BAFO in the amount of \$40,121,280, which is \$168,000 or 0.4 percent less than its second proposal. Seon’s final proposal was deemed fair and reasonable by the CPAU, and Modification 1 was awarded to Seon on May 5, 2025, bringing the total value of this contract to \$98,527,060. This Modification 1 also includes up to six option years for up to 1,000 systems in the estimated amount of \$176,040,000. The total estimated amount for Modification 1, if all options are exercised, is \$216,161,280, which would bring the overall value of this contract with Seon to \$274,567,060.

Seon	
Initial Award	\$ 58,405,780
Mod 1	\$ 40,121,280
Total Contract Value	\$ 98,527,060
6 Option years (2028–2033)	\$ 176,040,000
Total Contract Value with Options	\$ 274,567,060

A comparison of the pricing provided by Hayden and Seon reveals that operating the Seon system on 1,000 buses with five enforcement types will save the Authority \$27,407,500 versus operating the Hayden system on 1,023 buses with only three enforcement types from 2026 and 2027. If all options to extend both contracts through the year 2033 are exercised, the Seon contract will cost \$43,872,228 less during the six-year option period. By cultivating competition, the Authority is projected to save \$71,279,728 on the 1,000 systems being purchased from Seon for ACE enforcement from 2026 through 2033.

Subsequent to awarding the modification for ACE to Seon, Procurement contacted Hayden to seek a price concession and requested Hayden add the enforcement of bicycle lanes and paratransit vehicle stops to its ACE system at no additional cost to the Authority. Due to the significant difference between the operating expenses associated with these two systems, Procurement will continue to negotiate with Hayden in an effort to add additional functionality and lower Hayden’s costs as life cycle costs will be a major factor in determining which ACE systems to install on future buses.

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

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

The contract awarded to Hayden 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. Cybersecurity language as agreed to by Hayden and the Authority has been included in the contract terms and conditions.

The contract awarded to Seon 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. Seon has certified compliance with the MTA's cybersecurity requirements.

M/W/DBE Information

The MTA Department of Diversity and Civil Rights (DDCR) has established a zero percent M/WBE and zero percent SDVOB goals on this contract due to the lack of subcontracting availability.

Impact on Funding

These contracts will be funded with 100 percent MTA funds. Funds for these procurements have been approved in the MTA 2020–2024 Capital Programs as well as the operating budget.

Alternatives

There are no alternatives as these contracts have already been awarded.

Recommendation

It is recommended that the Board ratify the awards of B62049 Modification 2 to Hayden, and B62063 Modification 1 to Seon. The award to Hayden was for the addition of bus stop and double-parked vehicle enforcement as well as the purchase, installation, operation, and maintenance of up to 1,000 additional Automated Camera Enforcement (“ACE”) systems, for a total of 2023, in the total estimated amount of \$218,588,922 and includes up to six option years in the estimated amount of \$176,040,000. The total estimated amount for Modification 2, if all options are exercised, is \$434,880,192. The award to Seon was for the addition of bus stop, double-parked vehicle, bike lane, and paratransit stop enforcement on up to 1,000 ACE systems in the total estimated amount of \$40,121,280 and includes up to six option years in the estimated amount of \$176,040,000. The total estimated amount for Modification 1, if all options are exercised, is \$216,161,280. Procurement will obtain Board approval prior to exercising options from Hayden and/or Seon.

Item Number: 3

Vendor Name (Location) RideCo US Inc. (Waterloo, Ontario, Canada)	Contract Number 6%36822	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Description Paratransit Technology Solution	Total Amount: \$71,951,068	
Contract Terms (including Options, if any) Base Contract: Up to 18 months for implementation + 7-year operating term Option: Maintenance and support for up to 3 years		
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> n/a	Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive	Requesting Department: Department of Paratransit, Rachel Cohen	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Immediate Operating Need		

Discussion:

It is requested that the Board ratify the declaration of an Immediate Operating Need (“ION”) approved by the Deputy Chief Procurement Officer, MTA Procurement, waiving competitive bidding pursuant to Article III, Paragraph A, of the All-Agency Procurement Guidelines and Public Authorities Law 1209, subsection 9(a) and approve the award of Contract 6%36822 to RideCo US Inc. (“RideCo”) in the estimated amount of \$71,951,068. The award was made on August 18, 2025, with a base contract term of up to 18 months for system implementation and seven years of operations and maintenance. The contract also includes an option to extend the operations and maintenance period for up to three years, for which Board approval will be sought.

The ION authorized the procurement of essential short- and long-term technology and related services to ensure uninterrupted operations pursuant to the January 2023 termination for cause of Contract W-32564 to provide Real-Time Scheduling and Computer-Aided Dispatch (“RTS/CAD”) systems, as well as hardware and software for Automatic Vehicle Location Monitoring (“AVLM”) and Interactive Voice Response (“IVR”) systems for Paratransit’s Access-A-Ride (“AAR”) operations. This procurement action establishes the long-term technology solution, which entails the acquisition, set up, and management of a new enterprise technology system (“System”) for Paratransit trips. This system will replace the existing RTS/CAD and AVLM systems originally planned for acquisition and implementation under Contract W-32564.

In accordance with the Americans with Disabilities Act (“ADA”) of 1990, NYC Transit provides paratransit service, a 24/7 origin-to-destination, demand-response, shared ride transportation service for individuals with disabilities that cannot use fixed-route public buses and subways. Serving approximately 182,500 customers through dedicated and non-dedicated third-party service providers, this federally mandated service relies on core technology systems such as the RTS/CAD and AVLM systems. NYC Transit’s Department of Paratransit (“Paratransit”) operates within the ADA regulations (49 C.F.R. Section 37). These systems are crucial for Paratransit operations, ensuring service continuity and regulatory compliance, particularly following the previous contractor's inability to fulfill its contractual obligations.

The existing RTS/CAD system, in operation since 2001, plays a critical role in trip management, supporting advance and same-day trip bookings, trip batching, and daily manifest generation. It has been adapted over the years to accommodate the scheduling capacity, currently averaging 43,000 trips per day, and integrates with the AVLM system, which employs GPS and fleet management tablets to track vehicle locations, speed, directionality, and relay updates to the scheduling system for dispatching purposes. The AVLM system has also undergone iterations to ensure sustained operational continuity. Though provided by different contractors, these systems have been adapted to communicate and share information to support Paratransit operations over many years. However, they must be replaced as they are outdated, fragmentedly integrated, and lack critical functionality needed to manage on-street service issues in real time and support scalability, which are key factors in ensuring efficient operations now and into the future.

Since the new system (once fully implemented) will be provided by one contractor, it will offer tighter integration of the various functionalities, ensuring better communication among them all. By consolidating the required functions under a single contractor platform, data exchanges will occur without delays or inconsistencies, which are common with separate systems. Further, the existing RTS/CAD system lacks full integration, with functions spread across multiple platforms instead of being localized within a single, unified system. This added fragmentation requires Paratransit personnel to navigate multiple software tools for various tasks, leading to time lost, manual coordination challenges, and an increased likelihood of errors. The new system will consolidate core functionalities, among them, customer management, reservations, scheduling, dispatching, real time vehicle tracking and billing/reconciliation management into one streamlined technology solution, improving operational coherence.

Additionally, the new system will introduce real-time/dynamic scheduling capabilities, enabling immediate and automated adjustments to schedules and routes in response to changing road conditions, traffic delays, service disruptions, and fluctuating passenger demand. As service is performed each day, the system will continuously look across the scheduled service and identify opportunities to repackage scheduled trips for greater efficiency. The current system does not have this type of continuous optimization functionality. This added functionality will increase the productivity of the performed routes, yielding more efficient service delivery and improving service reliability, adapting to changes faster so that customers experience more consistent and reliable service.

The new system is also designed to accommodate annual increases in passenger demand as well as evolving policy changes, and emerging technologies with minimal effort. The current systems have limited capacity to scale effectively in response to growing ridership demands. As service expands, the limitation of the existing technology becomes more apparent, preventing it from efficiently accommodating increased scheduling requirements, more routes, and larger volumes of data. Without scalable architecture, the systems risk becoming further degraded, leading to further service disruptions.

Prior to issuing the solicitation, Paratransit and Procurement conducted a thorough market outreach to identify qualified transportation technology companies. Throughout most of 2023 and into early 2024, Paratransit held informal information exchange sessions with potential vendors. These sessions were designed to gauge viable competition in the marketplace and to inform the development of a formal competitive Request for Proposal (“RFP”).

In June 2024, RFP 468625 was competitively solicited to acquire, set up, and manage a new enterprise technology system for Paratransit trips, replacing the existing systems.

On September 9, 2024, nine proposers responded to the RFP. The Selection Committee (“SC”) evaluated the proposals in accordance with the evaluation criteria covering Overall Technical Qualifications, Overall Price, and Other Relevant Matters. Following the SC’s review, four proposers were eliminated, as these proposers did not have the necessary experience related to projects of similar complexity and magnitude and/or were unable to fulfill the technical requirements. The remaining five proposers were invited for oral presentations. After oral presentations, three proposers were eliminated as the SC determined that these proposers were unable to fulfill the technical requirements.

Two proposers were invited to negotiations: RideCo and The Routing Company (“TRC”). The SC considered RideCo’s proposed technology solution to be technically superior as compared to TRC’s. RideCo’s initial proposal totaled \$65,632,587, whereas TRC’s initial proposal was notably higher at \$161,615,837. After further evaluation, the SC unanimously eliminated TRC from further consideration because its pricing was substantially outside of the competitive range without providing full system functionality. Continued negotiations with RideCo focused on exceptions, and clarifications to the terms and conditions and technical specifications; on-board hardware used for vehicle monitoring, project schedule, and pricing. At the conclusion of negotiations, a Best and Final Offer (“BAFO”) was received from RideCo. After further pricing evaluation, RideCo was selected for the contract award based on its technical strengths and favorable pricing. It should be noted that the approximate difference of \$6.3 million between RideCo’s award amount versus initial proposal pricing is attributable to NYC Transit’s adjustments to the SOW, primarily due to increasing the daily trip scheduling capacity requirement from 35,000 to 50,000 while preserving an annual growth rate over the seven-year operating contract term.

Pricing for the contract consists of milestone payments for the implementation period (up to 18 months) and monthly operating payments to support and maintain the System for seven years. The MTA Cost Price Analysis Unit reviewed and found RideCo’s pricing to be fair and reasonable based on market findings.

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

The contract awarded to RideCo resulting from this ION 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. Any applicable cybersecurity requirements, to the extent required, have been included in the contract terms and conditions.

M/W/DBE Information

The MTA Department of Diversity and Civil Rights has established zero percent M/WBE and zero percent Service-Disabled Veteran-Owned Business (“SDVOB”) goals due to the lack of qualified MWBE/SDVOB firms capable of providing the services required for this procurement.

Impact on Funding

Operating funds will be utilized for this project. The funding for this award is available in the Department of Paratransit's Operating Budget under RC No. 3042, Function No. 120, with Account No. 709102.

Alternatives

None. This new System is critical to NYC Transit's goal to improve customer service and increase efficiencies.

Recommendation

It is recommended that the Board ratify the award of a contract to RideCo in the estimated amount of \$71,951,068, for the new system for Paratransit AAR operations.