

NYCT Committee
ACTIONS and PRESENTATIONS
SUMMARY for DECEMBER 2022

Responsible Department	Vendor Name	Total Amount	Summary of action
NYCT	Sims Metal (NYCT), Frontier Industrial Corp. (MNR & LIRR)	\$16,625,800	Removal and disposal of obsolete subway & rail cars for NYCT, MNR and LIRR.
NYCT	Theradynamics Rehab Management	\$12,515,664	Eligibility assessment services for Paratransit and Reduce-Fare initiatives.
NYCT	S&A Systems	\$12,515,664	Automated fuel and fluid management system.



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 \$27.1M.

Subject	Request for Authorization to Award Various Procurements				
Department	MTA Procurement				
Department Head Name	Kuvershen Ayer				
Department Head Signature	<i>Kuvershen Ayer</i>				
Project Manager Name	Rose Davis				
Board Action					
Order	To	Date	Approval	Info	Other
1	Committee	12/19/22			
2	Board	12/21/22			

December 14, 2022			
Department			
Department Head Name			
Department Head Signature			
Internal Approvals			
	Approval		Approval
<i>ad</i>	President NYCT	<i>Q</i>	Deputy CFO
X	COO	X	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: None

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

Schedules Requiring Majority Vote:

	<u># of Actions</u>	<u>\$ Amount</u>
Schedule G Miscellaneous Service Contracts		\$ 16.6 M
Schedule H Modifications to Personal/Miscellaneous Service Contracts		\$ 4.1 M
SUBTOTAL		\$ 20.7 M

NYC Transit proposes to award Ratifications in the following categories:

Schedules Requiring Two-Thirds Vote:

Schedule D: Ratification of Completed Procurement Actions	\$ 6.4 M
SUBTOTAL	\$ 6.4 M
TOTAL	\$ 27.1 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 2022

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

G. Miscellaneous Service Contracts

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

1. **Sims Metal / Frontier Industrial Corp. \$16,625,800** ***Staff Summary Attached***
Five years with an Option to extend for five years
Contract # SSE No. 374704
Removal and disposal of obsolete subway/rail cars and miscellaneous equipment.

H. Modifications to Personal Service Contracts and Miscellaneous Service Contracts Awarded as Contracts for Services

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

2. **Theradynamics Rehab Management, LLC \$4,129,984** ***Staff Summary Attached***
Five years with an Option to extend up to two years
Contract # 6%296164 AWO 1
Modification of the contract for Eligibility Assessment Services for Paratransit and Reduced-Fare:
add a second assessment center in Brooklyn.

Schedule G: Miscellaneous Service Contracts



Item Number: 1

Vendor Name (Location) Sims Metal (Jersey City, New Jersey) Frontier Industrial Corp. (Buffalo, New York)	Contract Number SSE 374704	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Description Removal and Disposal of Obsolete Subway/Rail Cars for NYC Transit/LIRR	Total Estimated Amount: \$16,625,800 NYCT: \$9,406,500 (Sims Metal) LIRR: \$3,199,300 (Frontier) MNR: \$4,020,000 (Frontier)	
Contract Term (including Options, if any): Five Years with a Five-Year Option	Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> n/a	Requesting Department: MTA Procurement, Kuvershen Ayer, CPO	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive		
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: Negotiation		

Discussion:

NYC Transit requests MTA Board approval for the award of a competitively solicited five-year miscellaneous service contract with an option to extend the term for five additional years for the Removal and Disposal of Obsolete Subway/Rail Cars and Miscellaneous Equipment for NYC Transit, Long Island Rail Road (“LIRR”), and Metro-North Railroad (“MNR”) to Sims Metal (“Sims”) in the estimated amount of \$9,406,500 for NYC Transit; and Frontier Industrial Corp. (“Frontier”) in the estimated amount of \$3,199,300 for LIRR and \$4,020,000 for MNR. The Board is also requested to authorize the Assistant Deputy Chief Procurement Officer, MTA to approve the exercise of the option if deemed advantageous to the Authority.

The NYC Transit, LIRR, and MNR have expressed a need to remove and dispose of obsolete subway/rail cars to prepare for the receipt of new rolling stock equipment. Additionally, all agencies have expressed the need for the removal and disposal of various obsolete work cars and peripheral infrastructure equipment waste located in various train yards throughout the MTA system.

Under this contract, NYC Transit plans to dispose of approximately 474 subway and 25 work cars in the first five years of the contract and approximately 1,623 subway cars in the five-year option term. LIRR plans to dispose of approximately 118 railcars, 27 locomotives, and various work cars and miscellaneous equipment in the first five years of the contract. If LIRR does not dispose of these cars and equipment in the first five years of the contract, the disposal will continue to take place in the five-year option term. MNR plans to dispose of approximately 140 railcars and 31 locomotives in the option term of the contract.

To generate interest in this contract prior to solicitation, a market survey was conducted. Procurement contacted various firms specializing in providing scrapping services. The Request for Proposal (“RFP”) was publicly advertised in January 2022, and notification was sent to 62 firms potentially capable of providing these services. Eight firms requested the RFP package. On June 30, 2022, proposals were received from two firms: Frontier and Sims.

	Frontier		Sims	
	Base	Option	Base	Option
NYC Transit	\$10,748,550	\$40,955,920	\$5,899,370	\$4,804,200
LIRR	\$3,312,338			
MNR		\$4,260,655		

After evaluation of the technical proposals, the Selection Committee (“SC”) determined that both proposers were technically qualified to perform the work. This evaluation was conducted in accordance with the stated evaluation criteria, which included (1) experience in removal and disposal of railcars; (2) compliance with the scope of work or proposing acceptable alternatives that meet the intent of the scope of work; (3) operational flexibility and plan to provide the most aggressive and achievable pick-up schedule; (4) management approach and staffing plan; and (5) diversity practices. Following the review of the technical proposals, the SC unanimously voted to proceed with negotiations with both proposers.

Schedule G: Miscellaneous Service Contracts



Following the review of the technical proposals, the SC unanimously voted to proceed with negotiations with both proposers.

Negotiations centered on proposed pricing and considered price scenarios where a credit for scrap metal was to be paid back to the authority and price scenarios where the credit was netted against the price for the car disposal. Subsequently, interim price proposals were requested from both proposers for these price scenarios. After review of the interim price scenarios, a decision was made to only consider a price scenario where the credit for scrap material was netted against the price for car disposal, as this scenario offered more aggressive pricing for car disposal and eliminated any risk of scrap metal index fluctuations.

A request for Best and Final Offers (“BAFOs”) was made on November 7, 2022, and BAFOs were received on November 15, 2022, as follows:

	BAFO			
	Frontier		Sims	
	Base	Option	Base	Option
NYC Transit	\$10,067,540	\$39,303,330	\$5,221,500	\$4,185,000
LIRR	\$3,199,300			
MNR		\$4,020,000		

Procurement, the project managers, and the Cost Price Unit determined the BAFOs to be fair and reasonable based on the competitive nature of the RFP, comparison to previous contract pricing, as well as a favorable comparison to the in-house estimate of \$22,584,040 for all agencies.

After review of the BAFOs in accordance with the evaluation criteria, the Selection Committee unanimously recommended Sims for award of the NYC Transit portion and Frontier for the award of the LIRR and MNR portions. The Selection Committee’s recommendation for NYC Transit portion was based on the fact that while both proposers were considered technically equal, Sims’ lower BAFO pricing provided the best overall value to NYC Transit.

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, have been included in the contract terms and conditions.

Both Frontier and Sims have certified that pursuant to EO 16 they are not doing business in Russia.

M/W/DBE Information

The MTA Department of Diversity and Civil Rights has established zero percent MWBE/SDVOB goals on this contract due to the lack of certified MWBE/SDVOB firms capable of providing services under this contract.

Impact on Funding

This project will utilize operating funding.

Alternatives

None recommended. Neither agency has the expertise to perform the specific tasks required under the scope of work for this project.

Recommendation

It is recommended that the Board approve the award of a five-year miscellaneous service contract with an option to extend the term for five additional years for the Removal and Disposal of Obsolete Subway/Rail Cars and Miscellaneous Equipment for NYC Transit, LIRR, and MNR to Sims in the estimated amount of \$9,406,500 for NYC Transit; and Frontier in the estimated amount of \$3,199,300 for LIRR and \$4,020,000 for MNR.

Schedule H: Modifications to Personal Service & Miscellaneous Service Contracts

Although the RFP did not result in awards for a Manhattan and/or second Brooklyn Assessment Center, Procurement continued its efforts to identify potential locations. As Omni's facility is in Midwood (serving applicants in proximity to South Brooklyn), the search for a second Brooklyn facility location was focused on the North Brooklyn area (Bedford Stuyvesant, Williamsburg, Greenpoint, etc.). Both Gramercy and Theradynamics expressed interest in the operation of a second Brooklyn Assessment Center with proximity to North Brooklyn. Theradynamics' proposed location in Bedford Stuyvesant was found to be the most viable.

Theradynamics' proposed pricing to operate the Bedford Stuyvesant location for both Paratransit and Reduced Fare services was in the amount of \$2,724,032 for the four remaining base years and \$1,405,952 for the two-year option; this pricing was found to be fair and reasonable as compared to the other eligibility assessment centers. Quantities for assessments in Brooklyn were estimated to be split based on historical assessment quantities performed as 60 percent for Omni and 40 percent for the North Brooklyn location to be awarded to Theradynamics.

This contract was evaluated to determine the necessity and appropriate scope, 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.

Theradynamics has certified that pursuant to Executive Order No. 16 it is not doing business in Russia.

Impact on Funding

Total funding for Paratransit and Reduced Fare for the base and option periods in the amount of \$4,129,984 is available in the Operating Budget.

DECEMBER 2022

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.)

3. S&A Systems, Inc.

\$6,348,296

Staff Summary Attached

Five Years

Contract # B-40612 (Capital)

Contract # B-40612OPR (Operating)

Ratification of an Immediate Operating Need to approve the purchase and installation of an automated fuel and fluid management system consisting of 78 terminals, operating software and hardware, and warranty of the system.

Schedule D: Ratification of Completed Procurement Actions



Item Number: 3

Vendor Name (Location) S&A Systems, Inc. (Rockwall, Texas)
Description Purchase and Installation of an Automated Fuel Management System
Contract Term (including Options, if any). December 2022–October 2027
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Immediate Operating Need

Contract Numbers B40612 (Capital) B40612OPR (Operating)	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Total Amount:	
NYC Transit \$3,722,063 Capital \$908,243 Operating	\$6,348,296
MTABC \$1,383,375 Capital \$334,615 Operating	
Funding Source <input checked="" type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Department Department of Buses, MTA Bus Company, Frank Annicaro	

Discussion:

It is requested that the Board formally ratify the declaration of an Immediate Operating Need (“ION”) approved by the Deputy Chief Procurement Officer, MTA Procurement, waiving formal competitive bidding pursuant to Article III, Paragraph A, of the All-Agency Procurement Guidelines and Public Authorities Law 1209, subsection 9(a), and 1265-a, subsection 4(a) and approve the purchase and installation of an automated fuel management system consisting of 78 terminals, operating software and hardware, and warranty of the system for a period of five years from S&A Systems, Inc. (“S&A”).

The existing fuel management system in use by Department of Buses (“DOB”) and MTA Bus Company (“MTABC”) has exceeded its designed lifetime. In preparation for the procurement of a replacement system, a Request for Information was conducted: seven vendors responded, five were invited for oral presentations, and two were selected to complete a six-month pilot of their systems. DOB developed criteria to evaluate system reliability, functionality, compatibility and connectivity with current fueling systems; and data production to support predictive maintenance support. At the conclusion of the pilot, S&A’s Fleetwatch system was deemed the superior fuel management solution. The Fleetwatch system consists of terminals installed in fuel lanes for both buses and nonrevenue vehicles to automatically collect various data regarding fuel dispensing including diesel, compressed natural gas, and gasoline. The data is centralized in a cloud-based system that can interface directly with SPEAR (the in-house fleet management system for DOB and MTABC), providing various data points from which to enhance fleet maintenance and operations. The system is designed for an operating life of up to 25 years and uses a universal design well-established in the industry in both the public transit and commercial trucking sectors. As a result, the system is not unique to the MTA and its components are commercially available.

Due to the obsolescence and the continuous risk of failures without remedy of the existing system, an ION was declared to purchase the Fleetwatch system. As a result, an informal competitively negotiated estimated quantity contract for the purchase and installation of an automated fuel management system for DOB and MTABC was awarded to S&A. The system will consist of 78 terminals installed at all 28 DOB and MTABC bus depots and central maintenance facilities. Included in the contract are operating software, five years each of cloud-based data management and software support, and a five-year software and equipment warranty. The initial price proposal submitted was \$7,156,374. Negotiations resulted in the final price of \$6,348,296. A savings of \$808,078 was achieved. Procurement and NYC Transit’s Cost Price Analysis Unit have determined the price to be fair and reasonable.

Installation of the terminals will occur over a period of two years on a per-facility basis. Once the system is completely installed and online at a particular facility, a software maintenance, data connection, and warranty charge for that depot’s terminals will commence, and continue monthly through the expiration of the 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 law and regulations. Any applicable cybersecurity requirements to the extent required have been included in the contract terms and conditions.

S&A has certified that pursuant to EO 16 it is not doing business in Russia.

Impact on Funding

This procurement action will utilize 100 percent MTA funds of \$5,105,438 in Capital funding approved within the 2015–2019 and 2020–2024 Capital Plans, and \$1,242,858 in Operating funds.