

## Metro-North Railroad Procurements

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

## PROCUREMENTS

The Procurement Agenda this month includes 1 action for a proposed estimated expenditure of \$5.5M.

<b>Subject</b>	Request for Authorization to Award Various Procurements				
<b>Department</b>	MTA Procurement				
<b>Department Head Name</b>	Lisette Camilo				
<b>Department Head Signature</b>					
<b>Project Manager Name</b>	Chad Scholes				
<b>Board Action</b>					
<b>Order</b>	<b>To</b>	<b>Date</b>	<b>Approval</b>	<b>Info</b>	<b>Other</b>
1	Committee	05/22/23			
2	Board	05/24/23			

May 16, 2023			
<b>Department</b>			
<b>Department Head Name</b>			
<b>Department Head Signature</b>			
<b>Internal Approvals</b>			
	<b>Approval</b>		<b>Approval</b>
	President		CAR
	VP & General Counsel		BP

<b>Internal Approvals (cont.)</b>							
<b>Order</b>	<b>Approval</b>	<b>Order</b>	<b>Approval</b>	<b>Order</b>	<b>Approval</b>	<b>Order</b>	<b>Approval</b>

**PURPOSE**  
 To obtain approval of the Board to award one noncompetitive contract and to obtain the recommendation of the Metro-North Committee of this procurement action.

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

Procurements Requiring Majority Vote:	<u># of Actions</u>	<u>\$ Amount</u>
Schedule G: Miscellaneous Service Contracts	1	\$ 5.5 M
	<b>SUBTOTAL</b>	<b>\$ 5.5 M</b>

**Metro-North proposes to award Competitive procurements in the following categories: None**

**Metro-North proposes to award Ratifications in the following categories: None**

<b>TOTAL</b>	<b>\$ 5.5 M</b>
--------------	-----------------

**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.

MAY 2023

**LIST OF NONCOMPETITIVE 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. <b>Laser Tribology BV</b>            | <b>\$5,511,300 (not to exceed)</b> | <b><i>Staff Summary Attached</i></b> |
| <b>Two years with a one-year Option</b> |                                    |                                      |
| <b>Contract# 428117</b>                 |                                    |                                      |
- Contract award for the lease of laser modules, which includes maintenance, servicing, and unlimited use of the modules, spare parts, daily maintenance repairs, remote continuous monitoring, training, and reliability support.

## Schedule G: Miscellaneous Service Contracts



Item Number: 1

<b>Vendor Name (Location)</b> Laser Tribology BV (Amsterdam, The Netherlands)
<b>Description</b> Lease of Laser Modules for Rail-Based Cleaning
<b>Contract Term (including Options, if any):</b> Two years with a one-year option
<b>Option(s) included in Total Amount?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a
<b>Procurement Type</b> <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Noncompetitive
<b>Solicitation Type</b> <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole Source

<b>Contract Number</b> 428117	<b>Renewal?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Total Amount:</b>	<b>\$5,511,300</b> (not to exceed) MNR: \$3,231,300 SIRTOA: \$2,280,000
<b>Funding Source</b> <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
<b>Requesting Departments</b> Maintenance of Equipment: Chad Scholes, Executive Director Continuous Improvement, MNR Maintenance of Way: Dominick Gallo, Vice President and Chief Maintenance Officer, SIRTOA	

### Discussion:

Metro-North Railroad (“MNR”), on behalf of itself and Staten Island Rapid Transit Operating Authority (“SIRTOA”) (collectively, the “Agencies”), requests Board approval to award a noncompetitive miscellaneous service contract for a term of two years plus a one-year option in the not-to-exceed amount of \$5,511,300 (MNR \$3.23 million and SIRTOA \$2.28 million) to Laser Tribology BV (“LT”) for the lease of laser modules. These modules, which consist of cleaning heads attached to the truck of a railcar, will provide railhead-based cleaning for the removal of leaf debris and contaminants from the top of rail surfaces in order to reduce the number of slip/slide and related equipment out-of-service events. MNR’s laser module will run at a speed of up to 60 miles per hour, while SIRTOA’s laser module will run at a speed of up to 25 mph because of speed restrictions on SIRTOA’s line.

LT, founded in 2016, spent two years on research and development to further the use of laser technology on railways. Its first laser module debuted at the MTA under a negotiated pilot test agreement with Long Island Rail Road (“LIRR”). The LIRR pilot test is currently ongoing and scheduled for completion in late 2024. MNR completed a successful pilot test of LT’s laser modules during the 2022 leaf season.

Each year, the Agencies experience more than 700 slip/slide events, which typically occur from early October to late November when leaves fall from trees and deposit harmful residue on the rail. Contamination of the rail by leaf debris during the fall months reduces the level of adhesion between the rail and train wheel, and adversely affects a train’s ability to stop. When a train attempts to stop, the residue causes the railcars to slip/slide, resulting in damage to wheels in the form of flat spots. If not corrected, flat spots can cause the affected cars to derail. The wheel damage alone, in the form of flat spots, results in removing passenger cars and locomotives from service for repair, thereby causing delays and shorter or canceled trains. Wheels with flat spots require “truing” (the maintenance process of rounding wheels) to bring them back into compliance before they can be reinstalled on the cars, all of which contribute to the use of overtime, a reduction in the overall wheel life, and costly wheelset replacements.

The Agencies’ existing process to clean the rails using equipment dispensing high-pressure water is costly to maintain and operates only at a speed of 12 mph. The use of high-pressure water is less efficient and creates a high environmental impact through water and diesel consumption. Alternatively, the laser modules operate at speeds between 25 and 60 mph and enable the Agencies to perform more frequent cleaning runs twice each day. Further, the laser modules carry the necessary subsystems to enable the lasering to be performed autonomously with minimal human intervention.

The lasering process is expected to improve the Agencies’ performance by more efficiently removing the source of the slip/slide problem, which will have a direct positive impact on safety, reliability, and service delivery. LT is the only entity offering this cutting-edge technology for railroad use.

LT’s initial proposal totaled \$5,880,000 for both Agencies. A review of the proposal was conducted in conjunction with the NYC Transit Cost Price Analysis Unit. Subsequent meetings with LT resulted in a further understanding of its pricing model. In addition to the leased lasers, LT’s proposal includes continuous remote monitoring, scheduled preventative maintenance, spare parts, benchmark performance checks at the beginning and end of each leaf season, and Geographic Information System data validation. After negotiations, LT offered a 14 percent reduction on MNR’s first-year lease payment and a 17 percent reduction on the second-year lease payment, resulting in the revised total amount of \$5,511,300.

## Schedule G: Miscellaneous Service Contracts



Should LT lease the same or highly similar equipment to third parties in the United States at a lower price, any reduction in lease fee over the remaining part of the calendar year(s) given to such party shall also apply to this contract in the same part of the same calendar year(s).

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

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.

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

### **Alternatives**

No alternatives are recommended. LT is the only vendor providing this type of cutting-edge technology.

### **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 subcontracting opportunities and MWBE/SDVOB firms in the marketplace.

### **Impact on Funding**

MNR's portion of this procurement will be funded by its Operating Budget. SIRTOA will be reimbursed through an Operating Subsidy funded by the City of New York.