

**NYCT Committee
ACTIONS and PRESENTATIONS
SUMMARY for SEPTEMBER 2023**

Responsible Department	Vendor Name	Total Amount	Summary of action
NYCT / MTA Bus	Preteckt	\$3,300,000	Prognostic Maintenance contract extension (Artificial Intelligence).

New York City Transit Procurements

Louis Montanti, MTA Deputy Chief Procurement Officer – Procurement Operations

PROCUREMENTS

The Procurement Agenda this month includes 1 action for a proposed estimated expenditure of \$3.3M.

Subject Request for Authorization to Award Various Procurements					
Department MTA Procurement					
Department Head Name Lisette Camilo					
Department Head Signature					
Project Manager Name Rose Davis					
Board Action					
Order	To	Date	Approval	Info	Other
1	Committee	09/18/23			
2	Board	09/20/23			

September 13, 2023			
Department			
Department Head Name			
Department Head Signature			
Internal Approvals			
	Approval		Approval
	President NYCT	X	Pres. MTA Bus/SVP DOB
X	Deputy 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:

<u>Procurements Requiring Majoritv Vote:</u>	<u># of</u>	<u>\$ Amount</u>
	<u>Actions</u>	
Schedule H: Modifications to Personal/Miscellaneous Service Contracts	1	\$ 3.3 M
SUBTOTAL	1	\$ 3.3 M

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

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

TOTAL	1	\$ 3.3 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.

SEPTEMBER 2023

LIST OF NONCOMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote:

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.)

- | | | |
|---|--------------------|--------------------------------------|
| 1. Preteckt, Inc.
One Year
Contract# 6%30858.2 | \$3,300,000 | <i>Staff Summary Attached</i> |
|---|--------------------|--------------------------------------|

Modification to the contract for Prognostic Maintenance Services for NYC Transit Department of Buses and MTA Bus Company, in order to (1) perform prognostic maintenance services to increase the quantity of buses monitored; (2) extend the term of this test and evaluation by one year; and (3) add an estimated \$3.3 million for expected expenditures.

Schedule H: Modifications to Personal Service & Miscellaneous Service Contracts



Item Number:

Vendor Name (Location) Preteckt, Inc. (Memphis, Tennessee)
Description: Prognostic Maintenance Services for NYCT Department of Buses (DOB) and MTA Bus Company (MTABC)
Contract Term (including Options, if any) December 1, 2022–November 30, 2023
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input 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: Modification
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:
Requesting Department: Department of Buses, Frank Annicaro

Contract Number 6%30858	AWO/Mod. # 2
Original Amount:	\$ 962,640
Prior Modifications:	\$ 11,981
Current Amount:	\$ 974,651
This Request:	\$ 3,300,000
% Of This Request to Current Amount:	238.5%
% Of Modifications (including This Request) to Original Amount:	244.0%

Discussion:

NYC Transit is seeking Board approval to modify the sole-source miscellaneous service contract awarded to Preteckt, Inc. (“Preteckt”) to perform prognostic maintenance services for NYC Transit, Department of Buses (“DOB”) and MTA Bus Company (“MTABC”) to increase the quantity of buses monitored from 1,528 to 5,000; extend the term of this test and evaluation by one year (December 1, 2023–November 30, 2024); and add an estimated \$3.3 million for expected expenditures.

The base contract for the prognostic maintenance of the exhaust aftertreatment subsystem on 1,528 buses was awarded to Preteckt in December 2022 in the amount of \$962,640 following a two-year, no charge proof-of-concept pilot, which was the result of the efforts of the 2019 Transit Tech Lab. The Preteckt system is designed to analyze raw sensor data collected from the exhaust aftertreatment subsystem by the existing bus telematics system to provide prognostic maintenance alerts and repair plans which can be used to reduce in-service interruptions. Since its initial deployment at NYC Transit, this system has successfully helped to both identify potential road calls before they occur and optimize labor hours and material costs.

Preteckt submitted its initial proposal in the amount of \$3.54 million (\$59/bus/month), which represents a \$6.50/bus/month (12.4 percent) increase over the current pricing of \$52.50/bus/month. Following negotiations, Preteckt reduced its proposal to \$3.3 million (\$55/bus/month), which represents a savings of 7 percent or \$240,000 from its original proposal.

The final pricing for this modification has been reviewed by the Cost-Price Analysis Unit and found to be fair and reasonable.

It should be noted that DOB and MTABC have determined that the use of prognostic maintenance services to analyze data and create prognostic alerts and repair plans will be effective and beneficial to the overall bus maintenance strategy. As a result, a competitive Request for Proposal that includes the monitoring of this and additional bus systems is being developed and will be advertised in early 2024. Eight companies responded to a Request for Information advertised by Procurement in early 2023.

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

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.

Impact on Funding

This procurement action will utilize Operating Funds.