

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 \$8.7M.

Subject	Request for Authorization to Award Various Procurements				
Department	MTA Procurement				
Department Head Name	Lisette Camilo (Interim)				
Department Head Signature	<i>Lisette Camilo</i>				
Project Manager Name	Ben Cornelius				
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		<i>CAP</i>
	SVP Operations	X	
	VP & General Counsel	X	<i>BP</i>

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

PURPOSE

To obtain approval of the Board to award a modification to an existing contract and to seek a recommendation from the Metro-North Committee regarding this procurement action.

DISCUSSION

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

Metro-North proposes to award Competitive procurements in the following categories:

Schedules Requiring Majority Vote:

Schedule H: Modifications to Personal/Miscellaneous Service Contracts	1	\$	8.7 M
SUBTOTAL	1	\$	8.7 M

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

TOTAL	1	\$	8.7 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 COMPETITIVE 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. **Arrow Rail Link Service, Inc.** **\$8,684,603** *Staff Summary Attached*
Four years with two 3-year renewal Options
Contract# 52537.7

Modification to the contract for Hudson Rail Link Bus Service in order to (1) exercise the second three-year renewal option and (2) provide additional funding to the contract for the continuation of bus services.

Schedule H: Modifications to Personal Service and Miscellaneous Service Contracts



Item Number: 1

<table border="1"> <tr> <td>Vendor Name (Location) Arrow Rail Link Service, Inc. (Brooklyn, New York)</td> </tr> <tr> <td>Description Hudson Rail Link Bus Service</td> </tr> <tr> <td>Contract Term (including Options, if any) Four years with two, 3-year options</td> </tr> <tr> <td>Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</td> </tr> <tr> <td>Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Noncompetitive</td> </tr> <tr> <td>Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:</td> </tr> <tr> <td>Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:</td> </tr> <tr> <td>Requesting Department: Operations Planning</td> </tr> </table>	Vendor Name (Location) Arrow Rail Link Service, Inc. (Brooklyn, New York)	Description Hudson Rail Link Bus Service	Contract Term (including Options, if any) Four years with two, 3-year options	Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	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:	Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	Requesting Department: Operations Planning	<table border="1"> <tr> <td>Contract Number 52537</td> <td>AWO/Mod # 7</td> </tr> <tr> <td>Original Amount:</td> <td>\$ 8,561,334</td> </tr> <tr> <td>Prior Modifications:</td> <td>\$ 8,762,852</td> </tr> <tr> <td>Prior Budgetary Increases:</td> <td>\$ 0</td> </tr> <tr> <td>Current Amount:</td> <td>\$17,324,186</td> </tr> <tr> <td>This Request:</td> <td>\$ 8,684,603</td> </tr> <tr> <td>% of This Request to Current Amount:</td> <td>50.13%</td> </tr> <tr> <td>% of Modifications (including This Request) to Original Amount:</td> <td>203.70%</td> </tr> </table>	Contract Number 52537	AWO/Mod # 7	Original Amount:	\$ 8,561,334	Prior Modifications:	\$ 8,762,852	Prior Budgetary Increases:	\$ 0	Current Amount:	\$17,324,186	This Request:	\$ 8,684,603	% of This Request to Current Amount:	50.13%	% of Modifications (including This Request) to Original Amount:	203.70%
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Discussion:

Metro-North Railroad (“MNR”) is seeking Board approval to (1) exercise the second and final three-year renewal option to a contract for Hudson Rail Link (“HRL”) bus service with Arrow Rail Link Service, Inc. (“Arrow”), formerly SNT Bus, Inc., from October 1, 2023, through September 30, 2026; and (2) provide additional funding in the amount of \$8,684,603 to the contract for the continuation of the bus service. All other terms, conditions, and pricing remain the same.

The original contract was approved by the MTA Board in July 2016 for the four-year base. The contract includes two 3-year renewal options. Prior modifications were issued to address interim extensions during the pandemic and the MTA Board approved the exercise of the remaining two years of the first renewal option in September 2021. The modifications and the first renewal option totaled \$8,762,852.

Contract pricing for the HRL was based on negotiated hourly rates adjusted annually by 3.5 percent. For this second renewal option, the annual increase of 3.5 percent is 2.6 percent less when compared to the most recent Urban Wage Earners and Clerical Workers Price Index (“CPI-W”) and projected to be less than the CPI for the term of the renewal option.

The HRL is a fixed-route scheduled feeder bus service that operates between MNR’s Spuyten Duyvil and Riverdale stations, as well as the surrounding neighborhoods located in geographically challenging areas in the northwest Bronx. Arrow maintains and operates 16 MNR-owned buses to provide the scheduled HRL service to commuters, at a fare of \$2.90 per ride, from Monday through Friday during peak and off-peak times. Buses are coordinated to meet arriving and departing MNR rail service between the hours of 6:00 a.m. and midnight at both stations.

In 2019, the average daily ridership for the HRL bus service was 1,601, with an annual ridership of 406,193. This represents a 5.7 percent increase since 2016, when the base contract was awarded. The emergence of the pandemic in 2020 corresponded with a steep decline in rail usage but has trended upward as the public returns to offices. In 2022, the average daily ridership was 597 with an overall annual ridership of 151,723. To date, the average daily ridership for 2023 is 721, which is 45 percent of pre-pandemic levels.

It is anticipated that HRL’s ridership will continue to increase over the next few years as the region continues to recover. The service is seen as an essential mobility resource for the neighborhoods, which otherwise are not easily accessible by public transportation.

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.

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

Impact on Funding

The contract modification in the amount of \$8,684,603 is to be funded by MNR’s Operating Budget.

Alternatives

None. MNR does not have the resources to provide these services in-house.