

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 \$325.8M.

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	10/23/23			
2	Board	10/25/23			

October 18, 2023			
Department			
Department Head Name			
Department Head Signature			
Internal Approvals			
	Approval		Approval
	President NYCT	X	Pres. MTA Bus/SVP DOB
	Deputy CFO	X	Diversity/Civil Rights
X	Law		

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 Two-Thirds Vote:</u>		<u># of</u>	<u>\$ Amount</u>
		<u>Actions</u>	
Schedule A:	Noncompetitive Purchases and Public Work Contracts	1	\$ 325.8 M
	SUBTOTAL	1	\$ 325.8 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	\$ 325.8 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.

OCTOBER 2023

LIST OF NONCOMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

A. Noncompetitive Purchases and Public Work Contracts

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

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| 1. Prevost Car (US) Inc.
100 Months from Notice of Award
Contract# B40695 | \$325,795,912 | <i>Staff Summary Attached</i> |
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Contract award for the purchase of 250 over-the-road express diesel buses with options for up to 131 additional over-the-road express diesel buses for a total of 381 buses as well as related items such as spare parts, special tools and equipment, technical documentation, and training.

Schedule A: Noncompetitive Purchases and Public Work Contracts



Item Number: 1

Vendor Name (Location) Prevost Car (US) Inc. (Sainte Claire, Quebec)	Contract Number B40695	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Description Furnish and Deliver 250 Over-the-Road Express Diesel Buses with Option of up to 131 Additional Buses	Total Amount: \$325,795,912 (\$214,187,493 base + \$111,608,420 options)	
Contract Term (including Options, if any) 100 Months from Notice of Award (inclusive of delivery of the base and any option buses and provision of warranty support)	Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	Requesting Department: Procurement Operations, Louis A. Montanti	
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: Sole-Source		

Discussion:

NYC Transit requests that the Board waive formal competitive bidding and approve the purchase of 250 over-the-road express diesel buses with options for up to 131 additional over-the-road express diesel buses for a total of 381 buses as well as related items such as spare parts, special tools and equipment, technical documentation, and training from Prevost Car (US) Inc. (“Prevost”) in the total estimated amount of \$325,795,912 (\$214,187,493 for the base award and \$111,608,420 for the options) on behalf of MTA Bus Company (“MTABC”). The Board is also requested to authorize the NYC Transit Assistant Chief Procurement Officer to approve the exercise of the options once funding becomes available.

The 250 buses under this contract will replace existing aging buses that have reached the end of their 12-year useful life operating out of MTABC depots in the Bronx and Queens. Currently, Prevost is the Authority’s only qualified source for the over-the-road express diesel buses. In November 2022, a sole/single/unique source notification was publicly advertised pursuant to Public Authorities Law, Section 1265-a, subdivision 4(b) for this procurement in the *New York State Contract Reporter* and the *Daily News*. Throughout the solicitation period, no other firm responded to NYC Transit indicating it can provide the requirement as advertised.

The initial proposal was received from Prevost in January 2023, oral presentations were held in February, negotiations were conducted between March and September and centered on cybersecurity, pricing, delivery, alternate proposals, exceptions/deviations/clarifications to the technical specifications as well as terms and conditions. Prevost’s Best and Final Offer (“BAFO”) was received on September 22, 2023. Delivery of the base buses is anticipated to begin in April 2025 and be completed by August 2026.

The total contract award of \$214,187,493 will consist of \$212,993,168 for the 250 buses (\$851,973/bus); \$193,312 for manuals, diagnostic tools, and testing; \$624,678 for an estimated quantity of training; and \$376,335 for capital spares. The final price has been deemed fair and reasonable by the Cost Price Analysis Unit with assistance from MTA Audit Services, based on negotiations and both cost and pricing analysis.

The award to Prevost will also include options to purchase up to 131 additional buses at \$851,973 per bus (est. \$111,608,420). These options are subject to a PPI escalation if exercised more than 365 days after notice of award. Additionally, the options must be exercised on or before December 31, 2025. If exercised, the option buses will be delivered between August 2026 and March 2027.

There is reasonable assurance that Prevost is financially qualified to perform this contract.

The contract resulting from this procurement 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. Cybersecurity language as agreed to by Prevost and NYCT has been included in the contract terms and conditions.

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

This contract is subject to review and approval of the Office of the New York State Comptroller (“OSC”) and award will not be made prior to OSC approval.

M/W/DBE Information

The MTA Department of Diversity and Civil Rights has established zero percent MWBE/SDVOB goals on this contract due to lack of subcontracting opportunities and MWBE/SDVOB firms in the marketplace. Similar contracts of this scope and nature are assigned zero goals and is part of the approved NYS Exclusion and Exemption List.

Impact on Funding

The contract will be funded with 100 percent MTA funds. Funds for this project have been approved in the MTA 2020–2024 Capital Program. Funding is available in the MTABC program support services to cover a shortfall of \$14 million. A WAR certificate will be secured prior to award. The 131 option buses will be funded as part of the MTA 2025–2029 Capital Program. No award will be made until the 2025–2029 funding is available, or an alternative funding source is identified.

Alternatives

There are no alternatives, as not awarding this contract will seriously undermine the Authority’s fleet plan and its ability to retire buses.

Recommendation

To request that the Board waive formal competitive bidding and approve the purchase of 250 over-the-road express diesel buses from Prevost in the total estimated amount of \$214,187,492 on behalf of MTABC. The Board is also requested to authorize the NYC Transit Assistant Chief Procurement Officer to approve the exercise of the options once funding becomes available in the estimated amount of \$111,608,420.